WARTIME PURCHASING PROCEDURES

150

WARTIME PURCHASING PROCEDURES

☆

Prepared by the War Economics Division
of the Research Institute of America

LEO M. CHERNE, *Editor-in-Chief*
WILLIAM J. CASEY, *Chairman*

AARON LEVENSTEIN
Director
Economic Mobilization Section

RUTH E. PAZEN
Director
Rationing Section

ALLEN W. MADDREN
Director
Government Contracts Section

ERIC M. ALBRECHT
Director
Priorities Section

HENRY BUND
Director
Price Control Section

EDW. C. LANDERGREN, JR.
Director
Foreign Trade Section

PERRY T. HITCHENS
Director
Labor Control Section

CHARLES J. SIEGEL
Director
War Finance Section

ELI CANTOR
Director
Procurement Section

PATRICIA A. RIORDAN
Director
Overtime Operations Section

MARJORIE E. NOPPEL
Director
Statistical Section

BETTY BOCK
Director
Manpower Mobilization Section

JULES ABELS
Member
Washington Staff

RAYMOND DICKEY
Member
Washington Staff

PETER COLLINS
Member
Washington Staff

INTERNATIONAL MONETARY FUND

ALLAMA IQBAL LIBRARY
8685
Acc. no. 8685
CHECKED
330.78
C423W

Copyright, May, 1942

THE RESEARCH INSTITUTE OF AMERICA, INC.
292 Madison Avenue, New York, N. Y.

Foreword

NEITHER unwillingness nor inability is a major hazard to our war effort; the hazard is *ignorance.* Our production must not be lost in the labyrinths of red tape or the catacombs of obscure contractual obligations. In the darkness of the present emergency, business needs new maps, new experience, and new knowledge. The unprecedented impact of the war emergency whirls us about with bewildering speed. Never before has accurate, reliable information been so necessary, its absence so disastrous.

The Research Institute of America, in compiling essential data about purchasing and producing under wartime regulations, government buying, government contracts and the financing of government work, has addressed itself to the problem of the business man who now serves his government on new terms and conditions. From the standpoint both of service to his country and the preservation of his own economic position, the business man must consider the government as his most important customer. To meet his responsibilities, he must know what the country needs and how his business can best serve those needs. Equally important is a knowledge of how to obtain materials and avoid bottlenecks. He must have a clear understanding of the growing volume of laws, price schedules, priority and other regulations, as well as a knowledge of how to sell to the government, which agencies to deal with, what obligations he assumes under the various types of contracts, how to finance the work and how to operate his plant.

This situation has presented to the staff of the Institute its greatest challenge. At the time of the Munich Pact, a War Economics Division was created by the Institute. Although the pact was promulgated to insure "Peace in Our Time," European War seemed inevitable to the Institute. To prepare for this catastrophe, we published *Adjusting Your Business to War.* The great majority of people and newspapers, with little realization of the importance of defense, quickly labeled this initial Institute effort everything from a "Blueprint for Fascism" to a "Primer for Pacifists." But the then Assistant Secretary of War, Louis Johnson, stated, "The Research Institute in publishing Cherne's *Adjusting Your Business to War,* has effectively taken an important step forward for the

welfare of the business community and, inseparably, for the furtherance of National Defense." In the fall of 1939, a day of Congressional debate was devoted almost entirely to the book. The questions re-echoed—"Why didn't we know these things? How did the Institute ever accomplish this job?" It is pleasant to be able to state, after all critical attention has died down, that *not even one inaccurate statement has ever been pointed out.* The interest displayed in *Adjusting Your Business to War,* plus the threatened European War, resulted in the 3,000 page looseleaf volume, the *War Coordinator.* Under the impact of the government's increasing demands upon industry, this unprecedented guide to the revolutionary economic problems of war, expanded rapidly into the present 4-volume *Business and Defense Coordinator.* All phases of the nation's war program and of federal business regulations are there *coordinated.*

A vital factor in the success of the war effort is the acquisition of new information and the dissemination of this knowledge by education. In the work of placing information in the hands of those who guide industry, many agencies have participated. A great part of this burden is now being shouldered by the formal educational institutions. The Research Institute has one important resource to contribute —the accumulated training and experience of its staff. When the nation's colleges, universities, and schools of business administration, began to promote courses in war economics, the Research Institute was happy to make its material available to them. Among the first to include such courses in the curriculum was the Wharton School of the University of Pennsylvania. The material found in this volume was collected from our *Business and Defense Coordinator* under the direction of V. S. Karabasz, Associate Professor of Industry, of the faculty of the Wharton School. The Institute wishes to express its gratitude for his assistance.

It is the purpose of this volume to light unfamiliar paths so that materials of war may be sped to the factory, from there to government depots and then to the battle line with a minimum of confusion and delay. If it helps to ease the burdens placed on the American business man by foreign aggression, those who labored over it will be content.

CARL HOVGARD, *President*
Research Institute of America

DEFENSE ADMINISTRATION

This table is a complete guide to all the material contained in the J Section. Paragraphs numbered 6,000 or higher will be found in the Recent Developments Section behind the colored sheet at the end of this section.

War Directory

How to Use the War Directory.....J·100
War Production Board.....J·101
Office of Price Administration.....J·105
Office of Petroleum Coordinator.....J·110
Office of Defense Transportation.....J·115

Copyright, March 11, 1942, Research Institute.

PRIORITIES AND INVENTORY CONTROL

This table is a complete guide to ALL the material contained in the R Section. Paragraphs numbered 6,000 or higher will be found in the Recent Developments Section behind the colored sheet at the end of this section.

Paragraph

The Priority Plan

Need for priority plan .....R·1
Objectives .....R·2
1939 Industrial Mobilization Plan .....R·3
1931 Industrial Mobilization Plan .....R·4
Transportation and communications .....R·5
Labor priorities .....R·6
Staggered deliveries .....R·7

Priorities in the First World War

Precedence classification .....R·101
Priority procedure .....R·102
Blanket priorities .....R·103
Essential, non-essential industries .....R·104
Industries closed .....R·105
Luxuries restricted .....R·106
Luxuries defined .....R·107
Rationing of scarce materials .....R·108
Industries deemed essential .....R·109
Power priorities .....R·110

Priority Agencies

Interstate Commerce Commission .....R·302
Maritime Commission .....R·303
Maritime Comm. priorities .....R·6,000
Fed. Communications Commission .....R·304
Defense Communications Board .....R·305
Dept. of Labor .....R·306
Sec. and Exch. Commission .....R·307
Emergency Agencies .....R·310
Army "Priorities Div." .....R·311
Priorities Board .....R·312
Army-Navy Munitions Bd. "Priorities" ..R·313–4
Div. of Priorities .....R·315–7
Office of Price Administration and Civilian Supply .....R·318
Legal background for priorities.....R·319–20
Mandatory compliance—National Defense Act .....R·321
Government inspection of records.....R·321.1
Local priority offices .....R·322
Additional field offices.....R·6,049
Relations with Contracting Officers .....R·323
Enforcement by Priorities Div. .....R·324
SPAB established .....R·325

Current Priority Practices

Priority terms defined.....R·510
Priority methods .....R·501
Gen. Metals Order 1 revoked .....R·6,001
WPB relative material scarcity list.....R·6,055

Paragraph

Current Priority Practices *(Cont'd)*

Centralize priority responsibility .....R·6,003–4
Your own priorities department .....R·6,005
Your sales department can help .....R·6,006
Your shipping department can help .....R·6,007
Your production department can help ....R·6,008
Stock control .....R·6,009
Your purchasing department can help.....R·6,010
Interpretation of priority orders.....R·6,056

Allocation—M Orders .....R·595–607

How the allocations system works ....R·595–604
Obtaining allocated metals .....R·605
Types of M orders .....R·606
Negotiating an M order .....R·607
Typical clauses in M-Orders .....R·610
Civilian Allocation Programs .....R·620–1
Suspension Orders—S Orders .....R·635–6

Blanket Ratings—P Orders .....R·640–3
Typical clauses in P-Orders .....R·644

Limitation Orders—L Orders .....R·648
Typical clauses in L-Orders .....R·649
Products for which critical materials prohibited .....R·6,057

Export Priorities

Material allocated to Latin America....R·6,012

Priorities Regulations

Priorities Regulation No. 1 .....R·660–82
Summary .....R·661
Text, as amended 12/23/41 .....R·662
"Defense Order" defined .....R·663
Civilian "B" orders .....R·664
Compulsion to accept rated orders.....R·665
Discrimination against rated orders .....R·666
Rejection of rated orders .....R·667
Assignment of preference ratings .....R·668
Deliveries .....R·669–71; 675
Restrictions on use of priority materials.R·672–3
Intra-company deliveries .....R·674
Liability for damage .....R·676
Liability for priority delays.....R·6,034–6
Protection against liability.....R·6,002
Inventory control .....R·677–8
Working inventory for wood pulp (Interp. 1) revoked .....R·6,033

Copyright, April 24, 1942, Research Institute.

Paragraph

Current Priority Practices *(Cont'd)*

Priorities Regulations *(Cont'd)*

Priorities Regulation No. 1 *(Cont'd)*
- Records and reports .....R·679–80; 6,011
- Violations .....R·680–1
- Appeal for relief from hardship .....R·681
- Notification of existing orders .....R·682
- Seasonal producers' inventories.....R·6,054

Priorities Regulation No. 2.....R·683–8
- All priority orders mandatory .....R·683
- Ratings signed by former officials.....R·684
- Stamped applications are rated .....R·685
- Text .....R·686

Priorities Regulation No. 3 .....R·6,013
Priorities Regulation No. 4 .....R·6,014
Priorities Regulation No. 5 .....R·6,025–6
Priorities Regulation No. 6 .....R·6,027–8
Priorities Regulation No. 7 .....R·6,031
Priorities Regulation No. 8.....R·6,053
Production quotas not negotiable .....R·6,032
WPB Regulation No. 1.....R·6,037

Production Requirements Plan .....R·750–62
- How the plan works .....R·750–7
- Procedure when rating raised.....R·6,062
- One product with several ratings.....R·6,063
- Instructions (PD-25A) (Sec. A) .....R·758
- Materials List No. 1 .....R·759
- Form PD-25A (Sec. B-H) .....R·760
- Preference Rating Order P-90 .....R·762
- Ratings for regular stock items (Amend. 3/10/42) .....R·6,050
- AA ratings may be extended .....R·6,015
- Application for interim assistance (PD-25-f) .....R·763
- Report of extensions of ratings (PD-25-g) .....R·764
- Modified Production Requirements Plan (PD-25X) .....R·6,017

Priority Forms

Reproduction of priority forms .....R·901
Instructions in using forms .....R·905–23

Paragraph

Priority Forms *(Cont'd)*

Applications for Preference Ratings .....R·925–9

Applications for Preference Ratings *(Cont'd)*
- Machine tool rating (PD-1) .....R·928
- Raw material rating (PD-1) .....R·929
- Use of PD-1A and 3A under Priorities Regulation 3 .....R·6,018–21; 6,030
- Form PD-1A .....R·6,022
- Form PD-3A .....R·6,023

Preference Rating Certificates .....R·935–43
- PD-3—Army and Navy orders .....R·935–7
- PD-2—domestic civilian orders .....R·938–9
- PD-4—government orders other than Army and Navy .....R·940·1
- PD-5—foreign government orders .....R·942–3
- Priorities Directive determines PD-3A rating .....R·6,038
- ANMB Code Numbers.....R·6,059
- Priorities Critical List abolished.....R·6,039
- Assignment of ratings on PD-3A .....R·6,040
- Issuance of PD-3A for machine tools..R·6,041–2
- Use of PD-3A for repair and maintenance.R·6,043
- Action taken on applications.....R·6,060
- How to file PD-3A.....R·6,061
- Use of PD-1A to replace inventory....R·6,044–6
- Use of P-19-h for construction projects..R·6,047
- Use of PC-20.....R·6,061

Miscellaneous Forms
- Report of rated orders placed (PD-81)....R·946
- Alternative report of orders (PD-81A)....R·947
- Request for supplier's name (PD-165)....R·948
- Application for scarce materials (PD-82)..R·949
- PD-275—mfr's report on metal requirements .....R·6,029
- WPB-732—report of plant operations...R·6,052
- Deliveries to Canada (PD-395).....R·6,058

Extension of PD Ratings .....R·944–9
- How to extend PD-3, 4 and 5 ratings...R·944–5
- Applying for re-rating .....R·945.1
- Urgency ratings .....R·945.2
- Extending PD-1a and PD-3a ratings R·6,024, 6,048

PRICE CONTROL

Paragraph

Antitrust Enforcement as Price Control

Prevention of war profiteering .....S·1
Cooperation with other government agencies.S·2
Purposes of the antitrust law .....S·3
Prevention of unjustified increases .....S·4
Penalties for antitrust violations .....S·5
Antitrust Division cooperation with OPACS S·6–7

Office of Price Administration

Predecessors of OPA .....S·10–25
Price Stabilization Division .....S·11–12
OPACS .....S·13–25
OPA established .....S·26

Price Control Methods

Policing of individual commodities .....S·35
OPA's price control devices .....S·36
Round table agreements .....S·37
Publicity as a price control .....S·38
Commodity inventories .....S·39
Study of commodity margins .....S·40
Pricing practices studied .....S·41
Control of rent .....S·42

Retail Prices

Control of consumer prices .....S·65–6
Retailers' program to check price rises .....S·67
Policy for calculating prices .....S·68
"Prevailing price" .....S·69
Recommendations of OPACS .....S·70
Powers of compulsion .....S·71
Use of substitutes to offset rises .....S·72
Policing business practices .....S·73
Policing changes in quality .....S·74
"Pyramiding" of excise tax .....S·75

Emergency Price Control Act of 1942

Need for price control .....S·100
Purposes of the Act .....S·101
What the law covers .....S·102
Wages under price control .....S·103
Temporary freezing orders .....S·104
OPA investigations .....S·105
Inspection of earning records.....S·6,001

Paragraph

Emergency Price Control Act of 1942 *(Cont'd)*

Voluntary agreements .....S·106
Antitrust status of agreements.....S·6,010
Exceptions to voluntary agreements.....S·6,002
Formal price schedules .....S·107
Base period for maximum prices .....S·108
Important cost data .....S·109
Which prices will be fixed .....S·110
Margins in distribution trades .....S·111–2
Classifications in price schedules .....S·113
Export sales .....S·6,005
Government purchases .....S·6,006
Bankruptcy sales .....S·6,007
Business practices affecting price .....S·114
Advertising and other normal practices....S·115
Evasion of schedules .....S·116
Violation of schedules .....S·117
Modification provisions .....S·6,004
Conditional agreements .....S·6,003
Prevention of hoarding .....S·118
Agricultural prices .....S·119
Rent control in defense areas .....S·120
The power to buy and sell .....S·121
Rationing and commandeering .....S·122
Government buying and selling offices ....S·123
Equalization of cost elements .....S·124
Relief from price ceilings .....S·125
Affirmations of compliance eliminated...S·6,008
Enforcement sections of Price Schedules..S·6,009
How to justify a higher ceiling .....S·126
How to file protests .....S·127
How Administrator handles protests .....S·128
Court review of denied protests .....S·129
Suits for treble damages .....S·130
Administrator's power of enforcement ....S·131
Licensing of business .....S·132
Procedure .....S·133
Over-all "fair price" .....S·134
First Procedural Regulation issued by OPA S·135
Text of Price Control Act of 1942 .....S·170
Text of Procedural Regulation No. 1 .....S·175

Typical Clauses in Price Schedules .....S·185

Typical Clauses in Price Regulations.....S·186

Copyright, April 3, 1942, Research Institute.

IRON, STEEL AND ALLOY METALS

Paragraph

General Comment ..... **Vf·1–2**

Alloy Steels (High Speed)—Allocation
- **Order No. M-14** ..... **Vf·2,400–6**
- **Tungsten restricted (Amend. 1)** ..... **Vf·2,410**
- **Time extension** ..... **Vf·2,410**
- **Error corrected (Amend. 2, 12/31/41)** .. **Vf·2,408-9**
- **Report (PD-101)** ..... **Vf·2,407**
- **Melting schedule (PD-391)** ..... **Vf·6,069**

Beds and Bedding—(See Miscellaneous) ..... **Vp**

Calcium-Silicon—Allocation
- **Order No. M-20-a** ..... **Vf·2,500–1**
- **Report of requirements (PD-72 rev'd)** .. **Vf·6,002**

Cast Iron Soil Pipe—Price Control
- **Price Schedule No. 100** ..... **Vf·175–6**
- **Delivery charges changed (Amend. 1)** .. **Vf·6,051**
- Emergency shipments; freight charges (Amend. 2) ..... Vf·6,076
- Sales to ultimate consumer ..... Vf·6,103

Chromium—Allocation (see also Va·2,029)
- **Order No. M-18** ..... **Vf·2,000–2**
- **Definitions, deliveries, defense orders (Amend., 8/22/41)** ..... **Vf·2,003**
- **Order No. M-18-a** ..... **Vf·2,008**
- **Ferrochrome restricted (Amend. 1)** .. **Vf·2,009–10**
- **Melting restricted (Amend. 2)** ..... **Vf·6,024**
- **Application (PD-53A)** ..... **Vf·6,025**
- **Report (PD-53B)** ..... **Vf·6,023**
- **Report (PD-54)** ..... **Vf·2,006**
- **Refractories request (PD-55)** ..... **Vf·2,007**

Chromium Chemicals—Allocation
- Order M-18-b ..... Vf·1,090

Cobalt—Allocation
- **Order No. M-39** ..... **Vf·2,725–6**
- **All cobalt covered (Amend., 2/7/42)** .... **Vf·6,026**
- **Supp. Order No. M-39-a** ..... **Vf·2,727**
- **Order M-39-b** ..... **Vf·6,027**
- **Application (PD-152)** ..... **Vf·2,728**
- **Application (PD-153)** ..... **Vf·2,729**

Durable Goods—Production Limitation (see R·6,057)

Fuel Oil Storage Tanks (see Mining, Oil, Coal, etc.) ..... **Vi·6,017**

Iron Ore—Price Control
- Maximum Regulation No. 113 ..... Vf·300

Iron and Steel—Allocation
- Order M-21, as amend. 4/21/42 ..... Vf·6,095

Iron and Steel Products—Price Control
- Reporting System rev'd 2/4/42
- **Price Schedule No. 6** ..... **Vf·500–1**

Paragraph

Iron and Steel Products—Price Control *(Cont'd)*
- Export base prices (Amend., 2/9/42) .... Vf·502
- Bale tie wire discounts (Amend. 1) .... Vf·6,056
- Application procedure (Amend. 2) .... Vf·6,061
- Wire screen cloth prices (Amend. 4/21/42) Vf·6,102
- Specific exemption (Order No. 1) ..... Vf·6,062
- Ford exemption denied ..... Vf·6,063
- Mill depot's status ..... **Vf·6,029**

Iron and Steel Products (Resale)—Price Control
- Price Schedule No. 49 rev'd 2/2/42 .... Vf·600–1
- Export margins provided (Amend 1/30/42) Vf·6,020–1
- Export provisions changed (Amend. 1) .. Vf·6,064
- Provisions changed (Amend. 2) ..... Vf·6,088
- Petitions for exception or amendment .. Vf·6,094
- Violations ..... Vf·6,087
- **Report requirements** ..... **Vf·6,028**
- Retailer's record requirements ..... Vf·6,065
- **Mill depot's status** ..... **Vf·6,029**
- Export inspection fees ..... Vf·6,106
- "Gulf Ports" defined ..... Vf·6,107
- Used products ..... Vf·6,108
- Wholesaler-retailer ..... Vf·6,109
- Concrete reinforcing bars ..... Vf·6,110
- **Seller's receipts report (149:2)** ..... **Vf·602**
- **Seller's price report (149:4)** ..... **Vf·603–4**

Heaters, Ventilators, Convectors, and Blast Heating Coils
- (See Copper—Conservation) ..... Tab Vj

Iron and Steel Scrap—Allocation
- **Order No. M-24** ..... **Vf·200–1**
- **Auto scrap buyer's report** ..... **Vf·6,030**
- Producers' report (PD-149) revised ..... Vf·203
- Consumers' report (PD-150) ..... **Vf·204; 6,031**
- Dealers', brokers' report (PD-151) ..... **Vf·205**
- Delivery order (PD-264) ..... **Vf·6,032**
- Order M-24-b (Scrap segregation) ..... see Vj

Iron and Steel Scrap—Price Control
- Price Schedule No. 4 rev'd 12/24/41 .. Vf·250–4
- Technical changes (Amend. 2/2/42 and 2/9/42) ..... Vf·256–7
- Transportation charges increased (Amend. 1) ..... Vf·6,058
- Special scrap prices (Amend. 2) ..... Vf·6,078
- Upgrading prevented ..... **Vf·255**
- Official interpretations ..... **Vf·6,047–50**
- Shipping point determination ..... **Vf·6,059**
- Brokerage commissions ..... **Vf·6,060**
- Brokers' commissions ..... Vf·6,114–16
- Court action against violators ..... Vf·6,099
- Violations ..... Vf·6,082
- Weight merely estimated ..... Vf·6,113
- **Seller's certificate (104:15)** ..... **Vf·258**

Copyright, May 1, 1942, Research Institute.

Molybdenum—Allocation *Paragraph*
Order M-110 ..... Vf·6,072
Temporary procedure until 5/1/42 .... Vf·6,073
Application form (PD-360) ..... Vf·6,082
Distribution report (PD-386) ..... Vf·6,086
Monthly consumption request (PD-359) Vf·6,085
Detailed melting application (PD-358). Vf·6,084

Nickel—Allocation
Order No. M-6 ..... Vf·2,100–2
Order No. M-6-a (superseding No. M-6) Vf·2,107–8
Indefinitely extended ..... Vf·6,072
Application (PD-27) (Schedules I and II) Vf·2,103–4
Restrictive order ..... Vf·2,105
Report form PD-90 for electric wire.... Vf·2,106

Nickel—Conservation
Conservation Order No. M-6-b..... Vf·6,000–1

Nickel Bearing Steel (Allocation) ..... Vf·2,200

Nickel Scrap—Conservation
Order M-6-c ..... Vf·2,381

Nickel Scrap—Price Control
Price Schedule No. 8 ..... Vf·2,350–5
Imported scrap prices (Amend., 6/6/41) Vf·2,356–7
Stainless steel scrap prices (Amend., 9/5/41) Vf·2,360–1
Exemption granted (Order 2)..... Vf·6,097
Application (108:5) (imported scrap)... Vf·2,358
Application (108:2) (prior commitments) Vf·2,359

Pig Iron—Allocation
Order No. M-17 ..... Vf·100–3
Filing reports (Amend., 10/14/41).... Vf·109–10
M-17 extended (Amend., 11/25/41)..... Vf·114
Complete allocation established (Amend. 3/28/42) ..... Vf·6,069
Customer's order (PD-69) ..... Vf·104; 108
Customer's inventory (PD-70)..... Vf·106
Producer's shipping (PD-71) ..... Vf·107
Pooling order (PD-71-a)..... Vf·105; 111
Allocation order (PD-71-b) ..... Vf·112
Shipping order (PD-71-c) ..... Vf·113
Producer's monthly tabulation (PD-71-d) Vf·6,070

Pig Iron—Price Control
Price Schedule No. 10 ..... Vf·150–3
Exemptions granted (Amend., 2/7/42). Vf·6,033
Eastern gas and fuel exempt (Order 1). Vf·6,091
Relief for "dislocated" iron (Amend. 4/14/42) Vf·6,092

Rail and Rail Joints (Used)—Limitation of Sale
Order L-88 ..... Vf·6,098

Railroad Rails (Second-Hand)—Price Control
Proposed ceiling ..... Vf·925
Price Schedule No. 46 (see Transportation, Public Utilities) ..... Vk

Refiners (see ¶ Vj·2,500)

Shoe Shanks—Simplification *Paragraph*
Steel thicknesses specified ..... Vf·6,096

Shot and Bullet Core Steel—Allocation
Order M-21-f ..... Vf·6,034
Producer's weekly report (PD-307)..... Vf·6,046
Purchaser's monthly report (PD-308)... Vf·6,053

Smelters (see ¶ Vj·2,500)

Steel—Allocation
Order M-21, add. amend. 4/21/42 (see Iron and Steel)
Filing reports (Amend., 9/9/41)..... Vf·711–13
Time extension ..... Vf·736
Allocation Order (PD-201)..... Vf·6,083
Rolling mills facility report (PD-409).. Vf·6,089
Supp. M-21-a (regulations)..... Vf·714–15; 722
Chromium (Amend. 1) ..... Vf·737
Alloy metals (Amend. 2) ..... Vf·739
Time extension ..... Vf·736
Supp. M-21-b (warehouses) ..... Vf·707-8
Deliveries (Amend. 1) ..... Vf·724–7
Warehouses (Amend. 2) ..... Vf·800–1
Time extension ..... Vf·736
Supp. M-21-d (chrome use) ..... Vf·741–2
A-1-k ratings for chrome steel (Amend. 1) ..... Vf·6,070
Customer's statement (PD-73)..... Vf·703; 721
Warehouse report (PD-83) ..... Vf·716; 728
Warehouse delivery (PD-83-a) ..... Vf·717
Rating certificate (PD-83b) ..... Vf·729
Instructions (PD-83d) ..... Vf·716
"Producer" change (PD-83e) ..... Vf·740
Warehouse extension request (PD-83-g). Vf·6,055
Capacity statement (PD-99) ..... Vf·731
Capacity statement (PD-100) ..... Vf·732-3
Heat resistant chrome steel inventory (PD-221) ..... Vf·6,003
Request for material (PD-353) ..... Vf·6,068
Pipelines ..... Vf·718; 734
Priorities explained ..... Vf·719
Drilling machinery ..... Vf·723
Rationing plan ..... Vf·735
Tube steel priorities ..... Vf·6,075
National Emergency alloy steels..... Vf·6,093

Steel Castings—Price Control
Price Schedule No. 41..... Vf·1,050–2
Specialty prices changed (Amend. 1).. Vf·6,035
Extra charges permitted (Amend. 3/12/42) Vf·6,057
Escalator clauses prohibited ..... Vf·6,100

Steel Drums—Allocation
Order No. M-45 ..... Vf·900–1
Inventory reserve (Amend. 1) ..... Vf·905–6
All gauges (Amend., 12/31/41) ..... Vf·6,007
Information required with PD-1-a.... Vf·6,074
Authorization to process under M-45 (PD-155a) ..... Vf·6,010

Steel Drums—Allocation *(Cont'd)* *Paragraph*
Reservation of container steel (PD-154a) Vf·6,008

Steel Drums (Used)—Price Control
Price Schedule No. 43 ..... Vf·1,000–2
Prices revised (Amend. 2) ..... Vf·6,018–9
Exemptions granted (Amend. 3) ..... Vf·6,036
Lease of drums ..... Vf·6,105
Reconditioned drums ..... Vf·6,101
Sales by filler ..... Vf·6,104
Commitment report (143:1) ..... Vf·1,003

Steel Oil Drums—Blanket Rating
Order No. P-76, as amended 12/31/41 .. Vf·902–3
Acceptance of P-76 ..... Vf·6,009
Application (PD-156) ..... Vf·904
Application for rating (PD-156a) ..... Vf·6,011

Steel Plate—Allocation
Order M-21-c ..... Vf·1,075
Instructions ..... Vf·6,005–6
Strip mill gauge list ..... Vf·6,022
Standardization ..... Vf·6,067
Large inventory holders ..... Vf·6,066
Instructions to producers ..... Vf·6,040
Monthly schedule (PD-169) ..... Vf·6,041
Summary of monthly schedule (PD-169A) Vf·6,042
Monthly requirements report (PD-298) . Vf·6,043
Monthly consumption report (PD-299) . Vf·6,044
Can mfgrs. requirements (WPB-640) .... Vf·6,054
May allocations ..... Vf·6,111

Steel Producers—Blanket Rating
Order No. P-68 (as amended 2/27/42) . Vf·1,025-6
Canadian steel (Amend. 1) ..... Vf·6,004
Semiannual report (PD-228) ..... Vf·6,037
Repair ratings raised (Amend. 3) ..... Vf·6,090

Steel Specifications—Simplification .... Vf·950
Specifications changed (3/7/42) ..... Vf·6,052

Paragraph
Steel Warehouses—Allocation
Order M-21-b ..... Vf·800
Restrictions extended (Amend. 3) ..... Vf·801–2
Producers' delivery report ..... Vf·6,081
Report of aircraft stocks (PD-346) .... Vf·6,071
Casing, tubing and pipe sales ..... Vf·6,045

Steel Warehouses—Inventory Control (see Suppliers)

Tin and Terne Plate—Allocation
Order M-21-e ..... Vf·6,038

Tin Can Enamel Conservation
(See Chemicals) ..... Vb

Tungsten—Allocation
Order No. M-3 ..... Vf·2,600–2
Supp. Order No. M-3-a ..... Vf·2,603
M-3 and M-3-a extended ..... Vf·2,605
Order M-29 (revokes M-3, M-3-a) .... Vf·2,606–7
Supp. Order No. M-29-a ..... Vf·2,610
M-29 and M-29-a extended ..... Vf·2,611
Application (PD-9) ..... Vf·2,604; 2,609
Consumption report (PD-9A) ..... Vf·6,013
Consumption report (PD-9B) ..... Vf·6,014
Application (PD-9c) ..... Vf·6,015
Civilian program ..... Vf·2,608
Tungsten restricted (Amend. 1) ..... Vf·2,410
Time extension ..... Vf·2,410

Tungsten—Conservation
Order M-29-b ..... Vf·6,039

Tungsten—Price Control
Premium plan ..... Vf·6,112

Vanadium—Allocation
Order No. M-23 ..... Vf·2,700–2
Order M-23a (replaces M-23) ..... Vf·2,704
Inventory, consumption form (PD-84) .. Vf·2,703
Consumption report (PD-209A) ..... Vf·6,017
Application (PD-209B) ..... Vf·6,016

Copyright, May 1, 1942, Research Institute.

CHAPTER 1

War Directory

COUNTLESS HOURS, every one of them costly to war production, are lost by businessmen trying to find their way about Washington. It is a fair presumption that firms which could make a contribution are not now doing so because they fail to reach the right quarters. Problems arising in actual war production may go unsolved and valuable time may be lost in solving them because they were not taken up with the right department or sub-department of the War Production Board, the Army, the Navy, and so forth. When to come to Washington and when to take up your problems in a local field office are important decisions, involving time and expense. Days may be lost on correspondence to the agencies charged with directing the war effort unless they are properly addressed. This chapter is offered as a handy guide on where to go, what to expect, and whom to address in taking up problems encountered in war production.

J·100. How to Use This Directory: The headquarters of the various bureaus, departments, branches, and units of the War Production Board, the War Department, the Navy Department, the Army and Navy Munitions Board, and the Office of Price Administration are indicated in the following directory. Where it is thought necessary or helpful, the addresses and the names of key personnel are given. However, personnel of the war agencies are being shifted constantly. In addressing communications to any of the officials listed here, the wisest course is to designate the office rather than the person named. Communications sent to the proper office will receive attention from the proper person even though he is not personally addressed. Offices and addresses are also being changed. However, a letter addressed to the proper division will not go astray.

Do you know where to go and whom to see to get what you want in Washington? Here is a handy guide by means of which the businessman can determine whom to contact in connection with matters relating to business problems occasioned by the war effort.

Copyright, April 29, 1942, Research Institute.

J·101. War Production Board.

Headquarters

New Social Security Building
3rd St. and Independence Ave., S.W.
Washington, D. C.

Chairman .....Donald M. Nelson

Members

Vice President .....Henry A. Wallace
Administrator, Office of Price Administration..Leon Henderson
Special Assistant to the President Supervising
Defense Aid Program .....Harry Hopkins
Lieutenant-General in Charge of War Department
Production ..... William Knudsen
Secretary of the Navy .....Frank Knox
Federal Loan Administrator .....Jesse Jones
Secretary of War .....Henry L. Stimson
Director of Labor Division .....Sidney Hillman

Executive Office of the Chairman

Chairman .....Donald M. Nelson
Assistants to the Chairman .....Sidney J. Weinberg, E. A. Locke, Jr., A. C. C. Hill, Jr.
Economic Advisor to the Chairman .....Floyd B. Odlum

Office of the Chairman

E. A. Locke, Jr. A. C. C. Hill, Jr.

Office of the Executive Secretary

Executive Secretary .....G. Lyle Belsley

Office of Progress Reports

Director .....Stacy May
Assistant Director .....R. R. Nathan

Planning Committee

Chairman .....R. R. Nathan
Executive Director .....Edward T. Dickenson

Requirements Committee

Chairman .....W. L. Batt

Administrative Division

Administrative Officer .....James G. Robinson
Assistant Administrative Officer .....
Consultant .....Hugh J. Reber

Inquiry Branch

Chief .....George H. Daniel

Management Services Branch

Acting Director .....Francis R. Cawley

Office Services Branch

Chief .....George A. Baird

Correspondence Branch

Chief .....L. H. Boerner

Accounts and Audits Branch
(Not yet in operation)
Personnel Branch

Director .....Carlton Hayward

Copyright, April 29, 1942, Research Institute.

DEFENSE ADMINISTRATION

Production Division

Director ..... W. H. Harrison
Special Assistant to the Director ..... George Wilde

Tax Amortization Section

Staff Head ..... Edward Sippel

Contract Distribution Branch

Chief ..... Walter H. Wheeler

Staff Services Branch

Chief ..... George A. Landry

Aircraft Branch

Chief ..... Merrill C. Meigs
Assistant Chief ..... T. P. Wright

Ordnance Branch

Chief ..... E. F. Johnson

Tools Branch

Chief ..... George C. Brainard

Shipbuilding Branch

Assistant Chief ..... J. O. Gawne

Construction Branch

Chief ..... W. V. Kahler

Purchases Division

Office of the Director

Director. ..... Douglas MacKeachie
Deputy Director ..... Houlder Hudgins
Deputy Director ..... James MacPherson
Assistant Director ..... Oakley W. Dexter
Assistant Director ..... John A. Martin
Assistant Director ..... W. L. James
Executive Officer ..... Philip Maguire

Accounting & Distribution Advisory Branch

Chief ..... Eric Camman
Assistant Chief ..... Maurice E. Peloubet

Contract Clearance Branch

Chief ..... Robert J. de Camp

Foreign Requirements Branch

Chief ..... Corwin Wickersham

Labor Division

Office of the Director

Director ..... Sidney Hillman
Principal Advisor ..... David K. Niles
Special Advisor ..... Herbert Harris
Special Advisor to the Director ..... Morris L. Cooke
Deputy Director for Labor Supply & Training..F. J. McSherry
Executive Assistant ..... Maxwell Brandwen
Administrative Officer ..... George W. Brooks

Shipbuilding Stabilization Committee

Chairman ..... Paul Porter

Committee on Fair Employment Practice

Chairman ..... Malcolm S. MacLean

Defense Housing Branch

Chief ..... Joseph P. Tufts

Labor Division *(Cont'd)*

Labor Relations Branch
Chief .....Eli L. Oliver

Industry Branch, Consultant Service
Associate Chief .....Richard A. Lester

Training Within Industry Branch
Chief .....Channing R. Dooley

Labor Supply Branch
Chief .....John J. Corson

Defense Training Branch
Chief .....N. A. Burnell

Minority Groups Branch
Chief .....Will Alexander

Negro Employment & Training Branch
Chief .....Robert C. Weaver

Civilian Supply Division

Office of the Director
Director .....Leon Henderson
Deputy Director .....Joseph L. Weiner
Executive Officer .....Harold W. Osterhaut

Civilian Supply Committee
Executive Secretary .....Harold Stein

Planning Branch
Chief .....Arthur R. Burns

Special Studies Branch
Acting Chief .....James W. Angell

Consumers Programs Branch
Chief .....Roland S. Vaile

Industrial Programs Branch
Chief .....David L. Crawford

Services Programs Branch
Chief .....Reavis Cox

Supply and Requirements Branch
Chief .....James W. Angell

Legal Division

General Counsel .....John Lord O'Brian
Administrative Assistant .....Louise Dame
Assistant General Counsel .....Geoffrey Smith
Assistant General Counsel .....Herbert Marks
Assistant General Counsel .....Milton Katz
Assistant General Counsel .....Alexander Hawes
Assistant General Counsel .....Henry H. Fowler
Assistant General Counsel .....Frederick M. Eaton

Materials Division

Office of the Director
Director .....William L. Batt
Deputy Director .....A. I. Henderson
Assistant Deputy Director .....H. W. Dodge
Executive Assistant to the Director .....C. E. Rhetts

Stockpile and Shipping Branch
Chief .....W. Y. Elliott

Copyright, April 29, 1942, Research Institute.

Materials Division
(Cont'd)

Mining Branch
Chief .....Wilbur A. Nelson

Aluminum & Magnesium Branch
Chief .....A. H. Bunker

Chemicals & Allied Products Branch
Chief .....Ernest W. Reid

Iron & Steel Branch
Chief .....C. E. Adams

Power and Communications Branch
Chief .....J. A. Krug

Cork & Asbestos Branch
Chief .....Fred W. Gardner

Nickel Branch
Chief .....Harry A. Rapelye

Tungsten & Molybdenum Branch
Chief .....Harris K. Masters

Copper Branch
Chief .....H. O. King

Zinc Branch
Chief .....David A. Uebelacker

Manganese & Chrome Branch
Chief .....Andrew Leith

Tin-Lead Branch
Chief .....Erwin Vogelsang

Mica-Graphite Branch
Chief .....Howard F. Wierum

Miscellaneous Minerals Branch
Chief .....Richard J. Lund

Statistics Division

Director .....Stacy May
Administrative Assistant to the Director .....Gordon Arneson
Assistant Director .....Oswald Knauth
Administrative Officer .....R. W. Turnley

Office of Survey Standards
Chief .....Howard Grieves

Defense Impacts Branch
Chief .....J. M. S. Waring

Contracts Branch
Chief .....Emerson Ross

Materials Branch
Chief .....J. Frederick Dewhurst

Munitions Branch
Chief .....Morris A. Copeland

Bureau of Industrial Conservation

Office of the Chief
Chief .....Lessing J. Rosenwald
Deputy Chief .....Paul C. Cabot

Specifications Branch
Chief .....C. O. Warwick

Bureau of Industrial Conservation *(Cont'd)*

Conservation & Substitution Branch
Chief .....Harvey A. Anderson

Simplification Branch
Chief .....Howard Coonley

General Salvage
Acting Chief .....H. L. Guterson

Automobile Graveyard Branch
Chief .....C. B. G. Murphy

Industrial Salvage
Chief .....G. T. Weymouth

Special Salvage Projects
Chief .....J. W. Bertch

Division of Industry Operations

Office of the Director
Director .....James S. Knowlson
Special Assistant to the Director .....John J. Hawl
Assistant Director in Charge of Plans & Programs
Blackwell Smith
Executive Officer .....Sidney Sherwood
Executive Assistant .....Carl K. Tranum

Bureau of Priorities

Chief .....C. H. Matthiessen, Jr.
Deputy Chief, Review and Approval .....John Gregg
Special Assistant to the Chief .....Esty Foster
Assistant Chief in Charge of Priority Specialists..S. S. Stratton
Assistant Chief in Charge of Policy .....John H. Martin
Assistant Chief in Charge of Internal Operations
Clem C. Crossland
Assistant Chief in Charge of Priority Enforcement..L. J. Martin
Assistant Chief in Charge of Requirements .....H. P. Nelson
Acting Assistant Chief in Charge of Curtailment Orders
H. H. Fowler

Inventory & Requisitioning Branch
Chief .....E. A. Tupper

Compliance Branch
Chief .....John H. Ward

Education & Business Contacts Staff
Chief .....Mason Mangum

Clearance Committee
Chairman .....C. S. Williams

Review and Approval Branch
Chief .....S. O. Phraner

Curtailment Review Branch
Chief .....A. S. Hewitt

Distributors Branch
Chief .....Linford C. White

Production Requirements Branch
Chief .....A. L. Williams

Bureau of Industry Advisory Committees

Chief .....T. Spencer Shore
Assistant Chief .....Kenneth Watson
Executive Assistant .....S. H. Dykstra

Copyright, April 29, 1942, Research Institute.

Bureau of Industry Operations

Chief .....Philip D. Reed
Assistant Chiefs .....J. R. Kimberley, J. R. Taylor
Special Assistants .....W. B. Murphy, Nathaniel G. Symonds, Ben Alexander
Deputy Chief .....Amory Houghton
Executive Assistant .....Marshall J. Dodge, Jr.

Automotive Branch
Chief .....Ernest Kanzler
Deputy Chief .....R. L. Vaniman

Rubber & Rubber Products Branch
Chief .....Arthur Newhall
Assistant Chief .....R. R. Guthrie

Textile, Clothing & Leather Goods Branch
Chief .....Ben Alexander

Food Supply Branch
Chief .....Douglas C. Townson

Consumers Durable Goods Branch
Chief .....L. C. Upton

Furniture and Bedding Branch
Chief .....John M. Brower

Containers Branch
Chief .....Douglas Kirk

Lumber and Lumber Products Branch
Chief .....Mathew McCullough

Building Materials Branch
Chief .....John L. Haynes

Plumbing and Heating Branch
Chief .....W. W. Timmis

Health Supplies Branch
Chief .....William M. Bristol, Jr.

Safety and Technical Equipment Branch
Chief .....H. T. Rosenfeld

Service and Distribution, Office and Service Machinery Branch
Chief .....Nathaniel G. Burleigh

Special Industrial Machinery
Chief .....Lewis S. Greenleaf, Jr.

Construction Machinery
Chief .....Joseph F. Ryan

Air Conditioning and Commercial Refrigeration
Chief .....J. M. Fernald

General Industrial Equipment
Chief .....Charles S. Williams

Toiletries and Cosmetics
Acting Chief .....H. T. Rosenfeld

Beverages and Tobacco
Chief .....J. B. Smiley

Bureau of Industry Operations *(Cont'd)*

Pulp and Paper Branch
Chief .....David J. Winton

Printing and Publishing Branch
Acting Chief .....George A. Renard

Transportation
Chief .....Andrew Stevenson
Assistant Chief .....Sydney L. Miller

Farm Machinery and Equipment
Chief .....William R. Tracy

Communications Branch
Chief .....Leighton H. Peebles

Bureau of Field Operations

Chief .....L. E. Scrivens

Bureau of Governmental Requirements

Chief .....Maury Maverick

Information Division, Production Branch

Statistics Division .....Barrow Lyons
Labor Division .....Herbert Little
Production Division .....Alfred Charles
Purchases Division .....John Montoux
Division of Industry Operations .....Charles Noyes
Bureau of Priorities .....Charles Noyes, Bruce McClure
Bureau of Industrial Conservation .....Bowen Smith
Bureau of Industry Advisory Committees..John Montoux
Bureau of Industry Branches .....Charles Noyes
Bureau of Field Operations .....Bruce McClure
Bureau of Governmental Requirements....Hobart Rowen
Civilian Supply Division .....R. Van Tine
Materials Division .....Russel Hogin, L. Hemingway, Ass't
War Labor Board .....Jim Nichols
Office of Defense Transportation .....Bryant Putney
General Assignments .....Martin Quigley

Copyright, April 29, 1942, Research Institute.

J·105. Office of Price Administration.

Headquarters

Temporary Building D
4th St. and Independence Ave., S.W.
Washington, D. C.

Administrator .....Leon Henderson
Senior Deputy Administrator .....John E. Hamm
Staff Deputy Administrator .....J. K. Galbraith
Acting Administrative Deputy Administrator.....John S. Keir
General Counsel .....David Ginsburg
Director of Field Operations .....Frank Bane
Assistant Director of Field Operations .....E. J. McCormack
Executive Assistant to Administrator....Robert K. Thompson
Staff Assistant to Administrator .....Robert E. Sessions
Secretary .....Charles A. Bishop
Accounting, Analysis and Review Division.Herbert F. Taggart

Food and Apparel Division

Assistant Administrator .....Howard Tolley

Food	Leather Footwear
Textiles & Apparel	Fertilizer

Industrial Materials and Equipment Division

Price Executive .....Donald Wallace

Iron & Steel	Industrial Machinery
Copper, Aluminum and Ferro-Alloys	Lumber
Zinc, Lead and Tin	Chemicals

General Products Division

Price Executive .....Herbert Taggart

Consumer Durables	Autos & Parts
Rubber	Building Materials
Paper & Paper Products	

Fuels Division

Assistant Administrator .....George W. Stocking

Petroleum	Hard Fuels

Rationing Division

Assistant Administrator .....John E. Hamm
Food Rationing .....Harold Rowe
Planning and Analysis .....Paul M. O'Leary
Automobile Rationing .....Rolf Nugent
Fuel Rationing .....Joel Dean
Rubber Rationing .....Grenville Holden
Textiles Rationing .....Richard Gettell

Legal Division

General Counsel .....David Ginsburg
Assistant General Counsel .....Thomas I. Emerson
Assistant General Counsel for Price Division.....David Cobb
Chief Counsel for Iron and Steel .....Bernard Fitzgerald
Chief Counsel for Lead, Tin and Zinc .....Samuel Block
Chief Counsel for Copper and Brass .....Carl Auerback
Chief Counsel for Textiles Unit .....Sylvester Garrett
Chief Counsel for Food and Food Products....Jefferson Burrus
Chief Counsel for Paper and Paper Products....Wallace Cohen
Assistant General Counsel for Price Division.Harold Leventhal
Chief Counsel for Chemicals and Drugs.....Vernon Monroe

Copyright, April 29, 1942, Research Institute.

Legal Division *(Cont'd)*

Chief Counsel for Automobile Unit .....Robert E. Stone
Chief Counsel for Consumers' Durable Goods Unit
Henry Reuss
Chief Counsel for Rubber Unit .....Daniel Margolies
Chief Counsel for Fuel .....Harry Booth
Chief Counsel for Machinery and Equipment..Leslie Jacobson
Chief Counsel for Lumber and Building Materials Unit
Arthur Larson
Chief Counsel for Price Coordination Unit.....Joseph Forer
Assistant General Counsel in Charge of Rent Section
Robert Wales
Chief of Procedure Unit .....George Palmer
Assistant General Counsel in Charge of Rationing
Thomas E. Harris
Assistant General Counsel in Charge of Court Review,
Research, and Opinion Unit .....Nathaniel L. Nathanson
Chief of Consumer Commodity Unit .....Henry L. McIntyre
Chief of Basic Commodity Unit .....Ben Heineman
Assistant General Counsel in Charge of Enforcement
Brunson MacChesney
Administrative Assistant .....G. Mennen Williams
Chief of Licensing Unit .....William I. Robinson
Chief of Inspection Unit .....(vacancy)
Chief of Civil Litigation Unit .....Talbot Smith
Chief of Rationing Unit .....John H. Joss
Chief of Appellate and Briefing Unit.....Harry W. Jones
Chief Counsel to Transportation Unit .....John H. Eisenhart

Auto and Trucks Section

Price Executive .....Cyrus McCormick
Used Car and Dealer Relations Unit.....J. E. Roberts
Parts and Accessories .....E. C. Stier

Chemicals, Drugs and Paints Section

Price Executive .....Clarence Farrier
Administrative Officer .....Gerald I. Jordan
Alkali and Compressed Gas Unit .....John W. Boyer
Plastics and Resins .....John Corwin
Protective Coatings .....G. D. Goldberg
Solvent .....Oregon Hefrick
Coal Tar Chemicals.....Ribbon Zissing (acting)
Inorganic Acids .....B. A. David
Fine and Medicinal Drugs .....Frank A. Delgrade
Explosives and Other Mine Chemicals .....L. A. LaBrie

Copper and Brass Section

Price Executive .....C. G. Holmquist
Administrative Officer .....Leo H. Davis
Copper and Brass Unit .....George R. Taylor
Ferro-Alloys .....D. H. Van Deusen
Nickel, Nickel Scrap and Stainless Steel Division.C. W. Nichols
Fabricated and Semi-Fabricated .....J. Howard Laghew

Consumers' Durable Goods Section

Price Executive .....Merle Fainsod
Administrative Officer .....Edward P. Welles
Furniture Unit .....Alberto Antolini
Office Equipment and Machinery Unit .....S. K. Mand
Floor Coverings and Bedding .....Alberto Antolini

Consumers' Durable Goods Section *(Cont'd)*

Hardware and Accessories .....
Electrical Appliances .....L. R. D. Baker
Radios and Batteries .....Maurice Despres
Cooking, Heating and Utensils .....Lewis Moore

Foods Section

Price Executive .....Harold B. Rowe
Associate Price Executives .....James Cavin, H. C. Hoffman, Fred W. Thomas

Unit Chiefs

Cereals (bread, flour and rice) and feeds and feedstuffs
John K. Westberg
Dairy and Poultry .....W. Neal Waterstreet
Retail and Wholesale Distribution .....William A. Neilander
Fats and Oils .....Victor L. Lea
Fruits and Vegetables .....Charles W. Hauck
Imported Foods and Special Products .....Bruce Ashby
Meats and Fish .....Joel H. Thornton
Sugar .....J. Howard Westing

Fuel

Price Executive .....George C. Doffing
Administrative Officer .....George Coss
Petroleum Unit .....Joseph Salmon
Petroleum Product Sub-Unit .....R. H. Collacott
Coal Unit .....Gerald B. Gould

Industrial and Agricultural Machinery

Price Executive .....Joel Dean
Administrative Officer .....Stanley Orear
Research and Liaison Unit .....Weir Brown
Farm Equipment and Tractors .....Albert Thornbrough
Machine Tools .....John J. Rodgers
Construction and Extraction Unit .....C. L. Christensen
Material Working and Fabricating Machinery Unit
Howard Reilly
Electrical Generating and Power Equipment Unit
Lloyd Reynolds
General and Auxiliary Machinery and Equipment
John R. Richards

Lumber and Building Materials

Price Executive .....Peter A. Stone
Administrative Officer .....L. Seth Schnitman
Mechanical Building Equipment Unit .....E. A. Ledwith

Paper and Paper Products

Price Executive .....Robert M. Macy
Administrative Officer .....James Studley
Wood Pulp .....W. N. Swalwell
Waste Paper .....H. P. Christian
Jobbers Unit .....J. Strub
Printing Papers.....J. R. Atwater
Writing Papers .....C. J. Grant

Rent Division

Assistant Administrator .....Paul A. Porter
Director .....Karl Borders

Research and Analysis Unit

Unit Chief .....Frank Emanuel

Copyright, April 29, 1942, Research Institute.

Rent Division *(Cont'd)*

Rent and Cost Analysis Sub-Section
Chief .....Ruth Eisner

Defense Rental Area Sub-Section
Walter B. Davis

Field Operations Unit
Chief .....Tom Tippett

Regulations and Review Unit
Chief .....Edward Stone

Rubber Distribution Section

Chief .....Charles F. Phillips

Tire and Rubber Rationing Unit
Industry Relations .....L. L. Shaulis
Quota .....J. Chester Ray
Eligibility Classification .....C. H. McGregor
Reports and Analyses .....Elmer R. Gibson

Tire and Tube Price Branch
Chief .....Warren W. Leigh
New Tires and Tubes .....Arthur Schalk
Used Tires and Tubes .....S. Lieben
Retreaded Tires .....R. B. Mitchell

Other Rubber Products Price Branch
Chief .....E. D. Hawkins
Mechanical Goods .....(vacancy)
Drugs and Sundries .....Gordon Losee
Footwear, Heels and Soles .....Guy E. Noyes

Steel, Iron and Steel Products

Price Executive .....Clair Wilcox
Administrative Officer .....Frank Bane
Steel Mill Products Unit .....F. Russel Widner
Reusable Products Unit .....Sam M. Swing
Warehouse and Jobbers .....Joseph Mead
Bolts, Nuts, Screws and Rivets .....T. I. Dunn
Castings Unit .....Herbert Ziegler
Research Unit .....P. R. Kerschbaum
Economic Analysis Unit .....E. M. Blaisdell
Scrap Unit .....E. A. France, Jr.
Pig Iron and Coke Unit .....D. A. Tutein

Minor Metals and Non-Metallics

Minerals .....Paul Linz, John P. Miller
Economists .....A. P. Woolfson, Helen Van Tuyl

Textiles, Leather and Apparel Section

Price Executive .....Burton E. Oppenheim
Assistant to Price Executive .....Leander B. Lovell
Administrative Officer .....Charles A. Marquardt

Textile Sub-Section
Acting Associate Price Executive .....Richard Glenn Gettell

Woven Cotton Goods Unit
Unit Chief .....Hilding Anderson

Wool and Wool Goods Unit
Unit Chief .....John P. Bell

Rayon and Mixed Goods
Acting Unit Chief .....J. Holmes Daly

Textiles, Leather and Apparel Section *(Cont'd)*

Finished Goods
Unit Chief .....Philip A. Johnson

Economic Research Unit
Unit Chief .....Arthur Leck

Textile Engineering Service
Acting Chief .....Eugene Szepesi

Leather Sub-Section
Acting Associate Price Executive .....John H. Patterson

Hides Unit
Acting Chief .....McClellan Butt

Leather Unit
Vacant

Miscellaneous Fibers Unit
Acting Chief .....Lawrence E. Kindt

Economic Research Unit
Vacant

Apparel and Distribution Sub-Section
Acting Associate Price Executive .....Jay Jefferson Miller
Assistant to Assoc. Price Executive.....Howard G. McDonald

Women's Apparel Unit
Chief .....Sydney Shreero

Men's Clothing Unit
Chief .....H. Bascomb Williams

Knitgoods and Hosiery Unit
Chief .....George A. Urlaub

Shoe Unit
Chief .....Albourne B. Long

Working Clothing Unit
Acting Chief .....Martin J. Cardon

Domestic and Piece Goods
Acting Chief .....Thomas K. O'Neill

Economic Research Unit
Acting Chief .....John O'Connor

Transportation Division

Acting Director .....John H. Eisenhart, Jr.
Assistant Director .....Dewey Wayne

Economic Section
Chief .....James M. Curtis

Rate Section
Chief .....John P. Simpson

Zinc, Lead and Tin

Price Executive .....John D. Sumner

Zinc and Cadmium Unit
George W. Roddewig — M. Jordan Nathason
James L. Bruce — Leonard S. Tyson

Copyright, April 29, 1942, Research Institute.

Zinc, Lead and Tin
(Cont'd)

DEFENSE ADMINISTRATION

Cadmium Unit
Max L. Levinson

Lead, Tin and Antimony
Paul Linz — Max Levinson — David Malnicoff

Secondary Metals and Scrap
Kermit Gordon — Seymour Black

Metals Products
C. F. Pruefer

Consumers' Service Division
Assistant Administrator .....Dexter Keezer
Director .....Dan A. West

Consumer Relations
Chief .....Mary Thompson Evans

Consumer Standards and Needs
Robert A. Brady

Research Division
Director .....Richard V. Gilbert

J·110. Office of Petroleum Coordinator.

Headquarters

New Interior Building
18th Ave. and C St., N. W.
Washington, D. C.

Coordinator .....Harold L. Ickes
Deputy Coordinator .....Ralph K. Davies

Coordinator's Staff—Special Assistants

Production Division
Director .....Robert E. Allen

Refining Division
Director .....Wright W. Gary

Transportation Division
Director .....H. A. Gilbert

Marketing Division
Director .....John W. Frey

Research Division
Director .....Edward B. Swanson

Conservation Division
Director .....Everett Lee De Golyer

Materials Division
Director .....William F. Huff

Legal Division
Chief Counsel .....J. Howard Marshall
OPM Priority Consultant .....James E. Hughes
Executive Officer .....Stanley W. Crosthwait

Information Division
Director .....Herbert A. Yocum

Liaison
Agent .....Gen. Walter B. Pyron

Foreign Division
Director .....James T. Duce

District Officers

District 1

122 East Forty-Second St., Chanin Bldg., New York City

Production Section
District Director .....James R. Wylie, Jr.

Natural Gas and Natural Gasoline Section
Chief .....Frank M. Brewster

Refinery Section
District Director .....Distin W. Wilson

Marketing Section
District Director .....Louis H. Spinner

Legal Section
District Counsel .....Charles L. Harding

District 2

120 South La Salle St. Bldg., Chicago, Illinois

Production Section
District Director .....Wirt Franklin

Copyright, May 1, 1942, Research Institute.

District 2 *(Cont'd)*

Refinery Section
District Director .....Douglas P. Bailey

Transportation Section
District Director .....Walter Dumont

Materials Section
District Director .....Edward E. Robbins

Legal Section
District Counsel .....Charles K. Schwartz

District 3

245 Mellie Esperson Bldg., Houston, Texas

Production Section
Grady H. Vaughn

Natural Gas and Natural Gasoline Section
Chief .....D. E. Buchanan

Refinery Section
District Director .....G. T. Granger

Legal Section
District Counsel .....J. P. Rice

Conservation Division
Conservation Engineer .....W. J. Murray, Jr

District 4

817 Seventeenth St., U. S. Nat'l Bank Bldg., Denver, Colo.

Production Section
District Director .....Michael J. Foley

Refinery Section
District Director .....Earl Petty

District 5

417 Hill St., 855 Subway Terminal Bldg., Los Angeles, Calif.

Production Section
District Director .....Lt. Cmdr. Wentworth H. Osgood

Natural Gas and Natural Gasoline Section
Assistant .....Reed W. Garman

Conservation Section
District Conservation Engineer .....Everett Trostel

Refinery Section
District Director .....Harold Sydnor

Materials Section
District Director .....Charles T. Reighert

Transportation Section
District Director .....Dale Gibson

Marketing Section
District Director .....Charles B. Garretson

Legal Section
District Counsel .....Clyde Thomas

J·115. Office of Defense Transportation.

Headquarters

Interstate Commerce Commission Bldg.
12th St. and Constitution Ave., Washington, D. C.

Executive Office

Director .....Joseph B. Eastman

Division of Storage

Director .....Colonel Leo M. Nicholson

Refrigerated Section

Chief .....J. R. Shoemaker

Merchandise Section

Chief .....S. G. Spear

Great Lake Carriers

Assistant in Charge .....A. T. Wood

Inland Waterways

Director .....Edward Clemens

Local Transports

Director .....Guy A. Richardson

Materials and Equipment

Director .....Philip A. Hollar

Motor Transport

Director .....John L. Rogers

Bus Transport Section

Chief .....R. E. Maxwell

Allocations Section

Chief .....H. H. Kelly

Office of the General Counsel

General Counsel .....Jack G. Scott

Pipe Lines, Tankers, Etc.

Director .....F. B. Dow

Railway Transport

Director .....V. V. Boatner
Assistant Director .....E. R. Hauer

Rates

Director .....Dr. G. Lloyd Wilson

Traffic Movement

Director .....John R. Turney

Civilian Traffic

Chief .....J. W. Montigney

Section of Traffic Channels

Chief .....Walter Bockstahler

Section of War Traffic

Chief .....Samuel Fordyce III

Traffic Flow Unit

Chief .....Arthur R. Mahaney.

Transport Personnel

Director .....Otto S. Beyer
Assistant .....Edwin M. Fitch

River Carriers Transportation Advisory Committee

Chairman .....Andrew P. Calhoun

Coastwise and Intercoastal Transport

Director .....Ernst Holzborn
Associate Director .....Neil S. Laidlaw

Copyright, April 29, 1942, Research Institute.

CHAPTER I

The Priority Plan

THE CONTROL of industry in order to make it produce the sinews of national defense is exercised in great part on the basis of a priority system. A priority system is geared to insure that producers essential to war or defense get first call on materials, power, transportation and all the essentials of production. While there has been much discussion during the past few years about the ultimate use of priorities in the event of a national emergency it has been only recently that the plan has begun to take on actual life. Already business men are becoming familiar with the term "priority." This Chapter undertakes to explain the general outline of the priority system, what it is intended to accomplish and the general priority plans worked out in the Industrial Mobilization Plan.

R·1. The need for priority. Priority control is the keystone of any control over industries exercised by the government in a war period. Under war conditions the demand for certain commodities becomes imperious. They must be produced. Their producers must have power, fuel and raw material, necessary for the production of the commodities. When produced they must be transported to use areas. Intensified production, increased demand, a depleted labor market resulting from manpower mobilization, restricted exporting by other countries, blockade and similar wartime factors produce a shortage of power, fuel, labor, transportation and raw materials. It becomes necessary to divert labor, capital and raw materials from industrial operations of a character non-essential to the purposes of the war to activities essential to furthering the prosecution of war. Similarly, in peacetime it becomes necessary under a defense program to establish priority controls. The peacetime use of priorities to speed up rearmament, one of the major devices now being invoked, is discussed below in ¶s R·501 et seq.

Priority is a new word in business terminology. You must understand what it is intended to accomplish, the kind of advantages you can get when you perform government contracts under a priority system, and the difficulties you may be compelled to face.

R·2. What priorities must accomplish. Priority will be the most direct, powerful and therefore the most important means of directing the flow of resources into desired channels of production. It will assure equitable distribution of materials and services according to national defense requirements. Those industries whose products are most essential in supplying the armed forces and in meeting the basic needs of the civilian population will have first call on available power, fuel, raw materials and labor. Those industries next in line on the scale of wartime necessity will then be supplied and so on. Those industries producing luxury items and items considered non-essential will be permitted power, fuel, raw materials, etc., only if, and to the extent of, any surplus left after the essential producers are taken care of. The process of priority will curtail the production of non-war industries and preserve labor, material, capital and transportation for use in war industries in those cases where there is actual shortage.

observation: It is important to appreciate fully the life and death control over a specific business and a specific industry that any War Resources Administrator invested with the power of priority control will exercise. By curtailing raw materials, power, fuel and transportation facilities he would be able to put a business or an entire industry in idleness over night. It is important to understand the objectives of priority control so that this danger may be guarded against as far as possible by making your business or your industry necessary in the attainment of these objectives. Objectives of priority control are summarized in the 1936 version of the Industrial Mobilization Plan as follows:

(1) To direct the flow of materials and and services in the channels of supply of the war-making agencies.

(2) To divert the use of resources from unessential needs into the channels of essential production.

(3) To assure the equitable distribution of materials and services to the civilian population.

R·3. Priorities under Industrial Mobilization Plan of 1939. The Industrial Mobilization Plan says the following of priorities:

Priority. A priority may be defined as the means whereby precedence is established in the procurement program after considering all urgent and essential needs of the nation. The right of government to institute drastic priority action has long been recognized, but it underwent rapid development during the World War. Priority soon became the most direct, powerful, and therefore the most important means of directing the flow of resources into desired channels of production. It assured equitable distribution of materials and services according to national requirements.

Priority can be applied in a number of forms, no one of which may be considered as a panacea for all the problems which may arise in war. All the various methods of applying priority may be required to meet varying conditions; they must be coordinated to assure a united, effective program.

Methods of applying priority may take any of the following forms:

(a) Classification Ratings. Priority classification of orders, items, facilities or industries, may be established to determine the order in which resources are to be used. Such ratings were found most useful during the World War in promulgating broad priority policies, capable of ready interpretation by all concerned, and avoided a tremendous load on the commodity divisions of the War Industries Board that would have been incurred in the assignment of indi-

Copyright, October 17, 1941, The Research Institute of America, Inc.

vidual priorities. There is every reason to believe that such an automatic priority classification would prove equally advantageous in any future national emergency.

(b) Allocations. Allocations assign the productive capacity of individual plants, or parts thereof, to specific agencies in cases where serious procurement difficulties are anticipated, or develop. This measure establishes priority for sources of supply among requiring agencies.

(c) Licenses, Embargoes, Permits and Warrants. These are mechanisms of priority which may be set up to establish precedence in the utilization of resources in war. By such means, resources, especially materials in foreign and domestic trade, may be made to flow in such a manner as to insure their most advantageous use.

observation: Allocations of industrial facilities to procurement agencies are not considered priority measures in the strict sense of the word, but rather procurement planning measures. They are discussed in detail at ¶ F·1,901 et seq.

R·4. Priorities under Industrial Mobilization Plan of 1931. The Industrial Mobilization Plan as drafted in 1931 was more explicit about priorities than that of 1939. The following pertinent statements are of interest:

> The products of industry with the raw materials, labor, power and capital involved are directed towards those uses which are most important to the nation by a system of priorities. The system requires—
>
> (1) A list arranged in order of preference of those facilities that should be granted preferential treatment.
>
> (2) A method whereby priority ratings are given individual orders or classes of orders within facilities.
>
> (3) A method of control to insure that preferences are not abused.
>
> (4) A control of producers through public opinion or otherwise to insure that the priority list is given proper consideration.
>
> The War Department procurement plans provide a method for establishing a preference list and for policing those facilities granted War Department preference. This list must be coordinated with a similar list prepared by the Navy. To these lists must be added a limited number of facilities absolutely essential to civilian life. It is necessary that the number of concerns not immediately connected with the war effort that are granted preference be very strictly limited and that the closest supervision be maintained to see that these preferences are not abused. Every preference granted increases the restrictions on those concerns not protected by preferences.

R·5. Transportation and communication priorities. Transportation (in particular railroad transportation) and communications facilities such as telegraph, telephone and radio, may suffer from serious overload in a defense economy. To handle all necessary volume, priority systems may be established also for these facilities. Until other organizations are created the Interstate Commerce Commission and the Federal Communications Commission would be empowered to administer such priorities. No particular mention is made of transportation priorities in the Industrial Mobilization Plan, but they would necessarily be a part of transportation mobilization as provided for by the Plan.

R·6. Priority system for labor supply. The question of priority systems for the labor supply is not given special consideration by the Industrial Mobilization Plan. However, the rising shortage of industrial skilled workers may make some sort of rationing of skilled men necessary. Several possibilities are open in this direction. Workers registered as unemployed with the employment agencies

and workers covered by unemployment insurance may be called upon to give information regarding their occupational qualifications. In this way information regarding the availability of skilled workers may be collected and used. Besides, unemployed workers may be called upon to accept suitable employment near their place of residence or remain idle and receive no unemployment insurance.

Observation: The government may, in time of war, say "work or fight" even though it may not command anyone to work in a particular place or industry. Thus, it can in effect "draft" skilled labor.

R·7. Staggering of deliveries to assist in priorities. In connection with the use of priorities, much thought is being given to the possibility of staggering deliveries for the defense program. An important factor in the administration of priorities itself must be the element of timing. It is not enough to say that certain demands on production must be fulfilled first. They must be coordinated with the delivery of other elements necessary to complete a particular article so that the entire unit may be available at the right time for defense use. "Priorities involve important and complicated problems of timing," says Professor Sumner H. Slichter. "If the automobile industry is to be rationed with respect to steel, can it be given defense orders of machine tools in time to shift with little gap from making automobiles to making defense goods? If there is a long period when automobile production is low and the production of defense goods has not started, the industry may lose a considerable part of its skilled men to other industries." In other words, the administration of priorities may be likened to the conduct of a relay race. The race would be lost no matter how fast each of the runners sprinted individually if they did not succeed in meeting each other at the proper moment. Each of the priorities needed for a defense article must be so timed as to bring about a smooth passage from one phase of production to another without any loss of time. The purpose of priorities would be defeated if they were directed to producing item A at a given date and item A then stood idly in the warehouse waiting for item B and item C when all are needed for the finished product ABC.

Copyright, October 17, 1941, The Research Institute of America, Inc.

CHAPTER II

Priorities in the First World War

THE APPLICATION of priorities confronts business with a novel situation. Not since the end of the first World War have business men been compelled to face the problems that now confront them. Development of a priority system for defense needs will affect a very large section of the national economy of the United States. An understanding of its working is important to every business, whether or not directly engaged in defense production. Adjustments to priorities can best be planned on the basis of the experience garnered in the first World War. This Chapter therefore undertakes a description of priorities in the first World War and applies that experience to present-day conditions.

R·101. Priorities during first World War—precedence classification. Orders, not industries, were classified by the Priority Commodities Board in the first World War as follows:

Class AA comprises only emergency war work of an exceptional and urgent nature.

Class A comprises all other war work; that is to say, orders and work necessary to carry on the war, such as arms, ammunitions, destroyers, submarines, battleships, transports, merchant ships, and other water craft, airplanes, locomotives.

Class B comprises orders and work which, while not primarily designed for the prosecution of the war, yet are of public interest and essential to the national welfare or otherwise of exceptional importance.

Class C comprises all orders and work not covered by priority certificates issued by the priorities committee or not taking an automatic rating, which orders and work are to be utilized in furtherance of one or more of the purposes embraced within the "General classification of purposes de-

During the World War businesses were classified according to their essentiality. How is your business likely to be classified? Can you do anything to avoid a classification as non-essential? How will the restriction of luxury consumption and the rationing of industrial materials strike your business? The experience of America's business men in the first World War is a valuable guide to the future.

manding preference treatment" promulgated by the priorities board, or which orders and work are placed by or utilized in connection with an industry or plant appearing in Preference List No. 1. (Actually no Class C certificates were issued.)

Class D comprises all orders and work not embraced in Class AA, Class A, Class B, or Class C. (Actually no Class D certificates were issued.)

The 1939 version of the Industrial Mobilization Plan contemplates that priority classifications of orders, items, facilities or industries may be established to determine the order in which resources are to be used. The use of a system of classification reduces the danger that allotting of priorities will be carried out on an arbitrary or discriminatory level. Such ratings were found useful during the World War in promulgating broad priority policies capable of ready interpretation by all concerned and avoiding a tremendous load on the Commodities Section of the War Industries Board that would have been incurred in the assignment of individual priorities.

R·102. Regular procedure in granting priorities during first World War. All orders of work were divided into the five general classes set forth in the preceding paragraphs. The classification of an order meant that it should be given such preference over orders of a lower classification as were necessary—and only such as were necessary—to insure delivery on the delivery date specified in the order. It did not mean that work should cease on orders of a lower classification or that the order should be completed and delivery made in advance of small orders taking a smaller classification unless such procedure should be necessary in order to effect delivery within the specified time.

Any person having work to be done which fell within one of these five classifications obtained priority certificates by making application to the Priorities Committee, following a form established by the Committee, copies of which had been freely distributed. The form used in the World War appears below. The application was for the granting of a priority certificate in the form of an order running against the manufacturer or distributor and calling for delivery by a certain date. The Priority Committee considered the application and frequently consulted with the appropriate Commodity Section operating under the War Industries Board. If it were determined that the application should be granted, it would assign one or another of the five ratings to the order and issue a certificate directed to the applicant. The applicant, the person desiring to make the purchase or enter into a contract to have materials manufactured, would then present his certificate to the person against whom the priority order ran and the latter would have to arrange his production program so as to give delivery to that priority order in its relative turn with respect to other priority orders, and with precedence over private orders.

Copyright, October 17, 1941, The Research Institute of America, Inc.

WORLD WAR PRIORITY APPLICATION FORM

(P. C. Form No. 15)

Routing: To ..... Date .....

APPLICATION FOR PRIORITY CERTIFICATE (Form used during World War)

(Read Circular No. 4 and instructions before filing application)

Use typewriter.

"Applicant" must be the concern which is to use the material or equipment.

A separate application blank must be filled in for each case presented; several orders on one concern may be covered in one application.

Applications made by the Government need not be attested.

To the PRIORITIES COMMITTEE, Washington, D. C.

.....1918

The undersigned hereby requests issuance of a priority certificate for the reasons stated below:

1. Insert here name and address of concern which is to produce the material or equipment or perform the work described in paragraph 5. Name ..... **Address** .....

2. Insert here name and address of applicant. Name ..... **Address** .....

3. State here number and date of order placed with concern named in paragraph 1. Number of order ..... **Date of order** ..... **Date delivery needed** ..... **Date delivery promised** .....

4. If order was placed through an agent, insert here his name and address. Name ..... **Address** .....

5. State here only the quantity and description of material or equipment for which priority is being asked. If material is metal, give tonnage. .....

6. Enter here only the priority number(s) and rating(s), if any, for which the material described under paragraph 5 is required. .....

7. If materials or equipment mentioned in paragraph 5 are for use in filling a Government order given directly to applicant, insert here name of Government department, number, date of order, quantity, and full particulars of such order, and dates of delivery required.

.....

8. If materials or equipment mentioned in paragraph 5 are being applied for by a subcontractor, such subcontractor will state the name of original contractor and give an exact description of what he (subcontractor) is to furnish, with quantities and deliveries required.

.....

9. If materials or equipment be required for purposes other than mentioned in paragraphs 7 and 8, state fully the purpose for which they are to be used. .....

.....

10. State whether or not applicant has in stock any of the materials (and how much) which may be used, in whole or in part, in the filling of such orders. .....

.....

11. How much of the material(s) mentioned in paragraph 5 has (have) been shipped?

.....

12. Has person named in paragraph 2 the plant and equipment now available to execute all orders on which he is now engaged? .....

13. What per cent of applicant's plant output is now devoted to war needs? .....

14. Any additional information the applicant may wish to present. .....

.....

Each question bearing on this application must be fully answered upon the form itself, and not by letter. Do not send letters of transmittal.

The undersigned, being first duly sworn, on oath says that the statements contained in the foregoing application are full, true, and correct; that the quantities are accurately stated, and that all articles, material, and work described in paragraph 5 hereof are intended for use in and necessary for the completion of the order(s) concerning which this application is made.

.....
(To be signed by applicant)

By .....
(Name of officer legally empowered to act for applicant)

Subscribed and sworn to before me this ..... day of ....., 1918

.....
(Notary Public)

in and for .....

R·103. Blanket priorities during the first World War. Between September 25, 1917, and November 11, 1918, 211,430 applications for priority were received and 119,966 priority certificates were issued. The administrative difficulty in handling such a tremendous volume of work was solved by granting automatic priority ratings to classes of orders which obviously deserved preference. A plan of automatic or blanket classification was set up which made unnecessary any application for written priority certificates to cover certain classifications, and gave automatic priority to certain orders.

R·104. Essential and non-essential industries during first World War. An investigation was made during the first World War which resulted in the grouping of industries into essential and non-essential categories. The purpose of this grouping or classification was to fix a quota basis for a fair administration of priorities, particularly in the supply of scarce raw materials, fuel, power, transportation and labor. This grouping also enabled the government to determine which industries were non-essential and should be shut down to prevent throwing a serious strain on the whole priority system and the supply of raw materials subject to priority rationing. Priority circulars classified more than 7,000 plants into general industries of exceptional importance during a war. Each of 73 industries has been graded in importance, into four classes. Those industries in Class I are those of exceptional importance in connection with the prosecution of war. Industries in Class II are those relatively more important than those in Class III, and those in Class III were deemed relatively more important than those in Class IV.

INDUSTRY	Class
Agricultural implements.—See Farm implements.	
Aircraft.—Plants engaged principally in manufacturing aircraft or aircraft supplies and equipment	I
Ammunition.—Plants engaged principally in manufacturing same for the U. S. Government and the Allies	I
Army and Navy.—Arsenals and navy yards	I
Army and Navy.—Cantonments and camps	I
Arms (small).—Plants engaged principally in manufacturing same for the U. S. Government and the Allies	I

Copyright, October 17, 1941, The Research Institute of America, Inc.

INDUSTRY	Class
Bags.—Hemp, jute, and cotton.—Plants engaged principally in manufacturing same	IV
Blast furnaces.—Producing pig iron	I
Boots and shoes.—Plants engaged exclusively in manufacturing same	IV
Brass and copper.—Plants engaged principally in rolling and drawing copper, brass and other copper alloys in the form of sheets, rods, wire, and tubes	II
Buildings.—See Public institutions and buildings.	
Chain.—Plants engaged principally in manufacturing iron and steel chain	III
Chemicals.—Plants engaged principally in manufacturing chemicals for the production of military and naval explosives, ammunition and aircraft, and use in chemical warfare.	I
Chemicals.—Plants, not otherwise classified and listed, engaged principally in manufacturing chemicals	IV
Coke.—Plants engaged principally in producing metallurgical coke and by-products, including toluol	I
Coke.—Plants, not otherwise classified and listed, producing same	II
Copper and brass.—See Brass and Copper.	
Cotton.—Plants engaged in the compression of cotton	IV
Cotton textiles.—See Textiles.	
Cranes.—Plants engaged principally in manufacturing locomotive cranes	II
Cranes.—Plants engaged principally in manufacturing traveling cranes	III
Domestic consumers.—Fuel and electric energy for residential consumption including homes, apartment houses, residential flats, restaurants, and hotels	I
Domestic consumers.—Fuel and electric energy not otherwise specifically listed	III
Drugs.—Medicines and medical and surgical supplies.—Plants engaged principally in manufacturing same	IV
Electrical equipment.—Plants engaged principally in manufacturing same	III
Explosives.—Plants engaged principally in manufacturing same for military and naval purposes for the U. S. Government and the Allies	I
Explosives.—Plants, not otherwise classified or listed, engaged principally in manufacturing same	III
Farm Implements.—Plants engaged principally in manufacturing agricultural implements and farm operating equipment	IV
Feed.—Plants engaged principally in preparing or manufacturing feed for livestock and poultry	I
Ferroalloys.—Plants engaged principally in producing ferrochrome, ferromanganese, ferromolybdenum, ferrosilicon, ferrotungsten, ferrouranium, ferrovanadium, and ferrozirconium	II
Fertilizers.—Plants engaged principally in producing same	IV
Fire brick.—Plants engaged principally in manufacturing same	IV
Foods.—Plants engaged principally in producing, milling, refining, preserving, refrigerating, wholesaling, or storing food for human consumption embraced within the following description: All cereals and cereal products, meats, including poultry, fish, vegetables, fruit, sugar, sirups, glucose, butter, eggs, cheese, milk and cream, lard, lard compounds, oleomargarine, and other substitutes for butter or lard, vegetable oils, beans, salt, coffee, baking powder, soda and yeast; also ammonia for refrigeration	I
Foods.—Plants engaged principally in producing, milling, preparing, refining, preserving, refrigerating, or storing food for human consumption not otherwise specifically listed (excepting herefrom plants producing confectionery, soft drinks, and chewing gum)	III
Food containers.—Plants engaged principally in manufacturing same	IV
Foundries (Iron).—Plants engaged principally in the manufacture of gray iron and malleable iron castings	IV
Fungicides.—See Insecticides and fungicides.	

INDUSTRY	Class
Gas.—See Oil and gas; also Public utilities.	
Guns (large).—Plants engaged principally in manufacturing same for the United States Government and the Allies	I
Hospitals.—See Public Institutions and buildings.	
Ice.—Plants engaged principally in manufacturing same	III
Insecticides and fungicides.—Plants engaged principally in manufacturing same	IV
Laundries	IV
Machine Tools.—Plants engaged principally in manufacturing same	II
Medicines.—See Drugs and medicines.	
Mines.—Coal	I
Mines.—Producing metals and ferroalloy minerals	II
Mines.—Plants engaged principally in manufacturing mining tools or equipment	III
Navy.—See Army and Navy.	
Navy Department.—See War and Navy Departments.	
Newspapers and periodicals.—Plants engaged principally in printing newspapers or periodicals which are entered at the post office as second class mail matter	IV
Oil and gas.—Plants engaged principally in producing oil or natural gas for fuel, or for mechanical purposes, including refining or manufacturing oil for fuel, or for mechanical purposes	I
Oil and gas.—Pipe lines and pumping stations engaged in transporting oil or natural gas	I
Oil and gas.—Plants engaged principally in manufacturing equipment or supplies for producing or transporting oil or natural gas, or for refining and manufacturing oil for fuel or for mechanical purposes	III
Paper and pulp.—See Pulp and paper.	
Periodicals.—See Newspapers and periodicals.	
Public institutions and buildings (maintenance and operation of).—Used as hospitals or sanitariums	I
Public institutions and buildings (maintenance and operation of).—Other than hospitals and sanitariums	III
Public utilities.—Gas plants producing toluol	I
Public utilities.—Street railways, electric lighting and power companies, gas plants not otherwise classified, telephone and telegraph companies, water-supply companies, and like general utilities	II
Public utilities.—Plants engaged principally in manufacturing equipment for railways or other public utilities	II
Pulp and paper.—Plants engaged exclusively in manufacturing same	IV
Railways.—Operated by United States Railroad Administration	I
Railways.—Not operated by United States Railroad Administration (excluding those operated as plant facilities)	II
Railways (street).—See Public utilities.	
Rope.—See Twine and rope.	
Rope wire.—See Wire rope.	
Sanitariums.—See Public institutions and buildings.	
Ships (maintenance and operation of).—Excluding pleasure craft not common carriers	I
Ships.—Plants engaged principally in building ships, excluding (a) pleasure craft not common carriers, (b) ships not built for the U. S. Government or the Allies nor under license from U. S. Shipping Board	I

Copyright, October 17, 1941, The Research Institute of America, Inc.

INDUSTRY	Class
Soap.—Plants engaged principally in manufacturing same	IV
Steel-making furnaces.—Plants engaged solely in manufacturing ingots and steel castings by the open-hearth, Bessemer, crucible, or electric furnace process, including blooming mills, bullet mills, and slabbing mills for same	I
Steel-plate mills	I
Steel-rail mills.—Rolling rails 50 or more pounds per yard	II
Steel.—All plants operating steel rolling and drawing mills exclusive of those taking higher classification	III
Surgical supplies.—See Drugs and medicines.	
Tanners.—Plants engaged principally in tanning leather	IV
Tanning.—Plants engaged principally in manufacturing tanning extracts	IV
Textiles.—Plants engaged principally in manufacturing cotton textiles, including spinning, weaving, and finishing	IV
Textiles.—Plants engaged principally in manufacturing woolen textiles, including spinners, top makers and weavers	IV
Textiles.—Plants engaged principally in manufacturing cotton or woolen knit goods	IV
Textiles.—Plants engaged principally in manufacturing textile machinery	IV
Tin plates.—Plants engaged principally in manufacturing same	III
Tobacco.—Only for preserving, drying, curing, packing, and storing same not for manufacturing and marketing	IV
Toluol.—See Coke, also Public utilities.	
Tools.—Plants engaged principally in manufacturing small or hand tools for working wood or metal	III
Twine (binder) and rope.—Plants engaged principally in manufacturing same	IV
War and Navy Departments.—Construction work conducted by either the War Department or the Navy Department of the United States in embarkation ports, harbors, fortified places, flood-protection operations, docks, locks, channels, inland waterways, and in the maintenance and repair of same	II
Wire and rope and rope wire.—Plants engaged principally in manufacturing same	II
Woolen textiles.—See Textiles.	

observation: Under present industrial standards more industries than those listed here would undoubtedly be included.

recommendation: It is impossible to make up a completely accurate list of essential and non-essential industries. In the case of many industries the question of whether they are essential or non-essential is a highly debatable question. Any plans which may be in existence for the determining of essential and non-essential industries in time of war are carefully guarded. However, the above list taken from priority circulars during the World War indicates those industries which are essential in a war economy. The farsighted executive would do well to examine the position of his plant in the light of its "war essentiality," and find out what change or adaptation would place his plant in a preferential class with regard to its "war essentiality." Information or aid in solving this important problem may be obtained from the National Defense Advisory Commission, Priorities Board or the Priorities Committee of the Army and Navy Munitions Board, both in Washington, D. C. See also the discussion of methods of getting plant facilities surveyed and earmarked for war orders at ¶s F·1,901 et seq.

R·105. Closing down of non-essential industries in the World War. In administering priority control during the World War, there was a basic principle that no industry should be absolutely prohibited and destroyed. No industry was branded as not essential. Every effort was made to preserve the organization of every unit in each industry by the use of its facilities in war production or otherwise to the end that it would be prepared to go forward properly with its normal activities after the war.

The following, from a report of a committee appointed by President Wilson to investigate and report on industries essential to the point that they should, in the public interest, retire from business during the war, is significant.

> "We do not recommend absolute prohibition because, granting the possibility of selecting from all the products of industry those items which could be agreed upon as of relatively slight importance to the consuming public, the benefits to be derived for the war program by the total and sudden prohibition of the industries producing such commodities would be trifling compared to the economic loss during and after the war.
>
> "A searching analysis of all our industries revealed 25 which might fairly be classified as producers of non-war commodities, and therefore worthy of consideration for complete prohibition. We found that the aggregate capital employed by this particular group of industries was $733,000,000. The aggregate number of persons employed was 283,518. The aggregate fuel consumption per annum was 1,701,000 tons.
>
> "Contrasting the degree of relief afforded with the hardships necessarily imposed upon a part of the community, your committee has reached the conclusion that it would be inadvisable to adopt direct industrial prohibition to accomplish the desired end. It would not only result in inequalities and thus engender intense dissatisfaction on the part of those affected, but it would also create grave apprehension throughout the entire industrial community. This might weaken the morale of the nation, and, in the final analysis, cause actual harm rather than positive benefit.
>
> "We also invite your attention to the fact that a sudden dislocation through complete prohibition of any industry involves the disintegration of entire organizations, including the workers, foremen, superintendents, and managers. Such organizations in most cases are the cumulative result of many years of constructive effort, and it is obvious that with the ending of the war the prohibited industries would be obliged to go through the pioneer process of re-creation. This would, in the opinion of your committee, augment the embarrassment of post-war industrial readjustments."

¶ recommendation: It is reasonably safe to say that this policy of branding no industry not essential is likely to be followed in essence in the event of another war. However, industries considered not essential cannot escape having their production curtailed. Foreign markets will be blocked, domestic markets will be curtailed, luxury consumption will be termed unpatriotic and they will be allowed the essentials of production only if there is a surplus after all essential industries are taken care of. It is therefore, important for the far-seeing executive to consider whether or not a slight shift in his company's activities or productive processes might bring his organization into the classification of essential industries.

¶ observation: The control which priority powers give the War Resources Administrator or other individual or Board will make it possible to curtail sharply the activities of industries classified as non-essential and even to halt their opera-

Copyright, October 17, 1941, The Research Institute of America, Inc.

tions completely. The Industrial Mobilization Plan has as one of its objectives to assure that industry will carry the war load and at the same time be in a position to renew normal peacetime operation upon the conclusion of the war emergency. The closing down of whole industries will not contribute to this aim. It is therefore probable that no industry will be called non-essential or completely closed down. But the classification is still important because those industries considered essential will receive preferential treatment in the allotment of power, fuel, semi-finished, unfinished products, raw materials, transportation, etc., while industries considered non-essential will be allowed these essentials of production, only out of, and to the extent of, any surplus.

R·106. Restriction on luxury production. Toward the end of the World War it was deemed unpatriotic to use luxury articles. In addition, the World War Revenue Act of 1918 imposed a luxury retail sales tax. The tax on liquor, malt beverages, cigars, tobacco and tobacco products was sharply increased. Amusement taxes were levied and excise taxes were imposed upon automobiles, liveries, hats, hunting and shooting garments, riding habits and other luxury items. The most significant luxury tax, however, was the luxury retail sales tax placed on the sale of various articles selling above certain prices. The luxury sales tax was imposed for example upon the sale of men's shirts selling for more than $3 each. This tax levied at 10% of the excess price was designed primarily to discourage luxury consumption. It is probable that similar measures will be invoked against the consumption of luxury products if the United States should become involved in a future war.

Probably the most striking example of wartime restriction of luxury production may be found in the World War history of the automobile industry. Remember that during the war period the automobile industry was in its infancy and an automobile was a genuine luxury. In order to release steel, gasoline, rubber and other raw materials necessary in the production of automobiles for more essential wartime uses, a program was carried out under which the automobile industry curtailed its normal production of passenger cars 50% during the latter half of 1918. First it was agreed between representatives of the auto industry and members of the War Industries Board that a 30% reduction in the current manufacturing schedules of passenger cars could be made without undue disturbance. A reduction to a 50% basis for the last six months of 1918 was later agreed upon. It was believed that a 50% basis would support the organizations and the various plants until such time as they could convert their facilities for the production of direct and indirect war requirements. A similar curtailment in the production of pleasure automobiles may be anticipated in a future war period. Already motor manufacturers and manufacturers of automobile parts have made plans for the conversion of their facilities to essential war needs. The government's need for airplanes and for mechanized artillery equipment to prosecute a war effort makes this adjustment reasonably easy for the motor manufacturers.

R·107. Goods considered luxuries. The following is a list of non-necessaries taken from a World War pamphlet, "The Duty of the Consumer in War-Time," by Harold G. Moulton, one of the members of the War Resources Board:

Wearing apparel: Artificial flowers, passementerie, lace, furs, canes, jewelry, cosmetics, perfumes, curling irons, fans, powder puffs, fancy bags, fancy boots and shoes, opera glasses, silk hosiery and underwear, and sporting outfits.

Edibles: Liquors, tobacco, confectionery, chewing gum, patent medicines, pastries.

House furnishings: Art goods, pictures, mirrors, billiard tables, china, decorating, glassware, carpets and rugs, ornamental clocks and watches, fancy work materials, furniture.

Miscellaneous: Pleasure cars, pleasure motorcycles and bicycles, toys, fancy stationery, photographic supplies, society badges, emblems and regalia, musical instruments, poker chips and playing cards.

¶ observation: It has been estimated that the elimination of the manufacture of confectionary, not including ice cream, would relieve 50,000 persons for war work and relieve fuel for war uses in the following amounts:

81,000 tons of anthracite coal,
217,000 tons of bituminous coal,
14,000 tons of coke,
23,000 barrels of oil and gasoline, and
689,000,000 cubic feet of gas.

The difficulty of passing judgment on what are real luxuries may be measured from the fact that chocolate confectionery, which Mr. Moulton considers a luxury, is one of the most important energy foods of armies on the march and aviation troops, a shortage of which may even hamper operations.

R·108. Rationing of scarce industrial materials. During the war there soon occurred a shortage of iron and steel and other raw materials. The government was forced to establish a priority system in allocating these scarce materials.

The actual operation of any plan for the rationing of war materials to industry can best be understood by looking at the program put into effect in 1918 for rationing iron or steel to those less essential industries whose business depended upon their getting at least a portion of their normal supply of this commodity. The nature of the plan is best explained in the words of Priority Circular No. 5, issued July 22, 1918, and embodying the rationing plan. The pertinent portions of this circular are as follows:

"*Rationing industries.* As it is obviously impossible to supply all industries utilizing iron and steel in their activities with their normal supply, the War Industries Board, through its Priorities Division, cooperating with the commodity section dealing with the particular industry or product involved, with the Conservation Division and representatives of other interested Government agencies, has inaugurated a system of industrial hearings in which committees representing the entire industry appear and present, (a) the normal requirements of such industry for iron and steel, (b) their reasonable requirements under war conditions, (c) the stocks now on hand in each plant, and (d) the fuel consumed, and all other pertinent facts.

Copyright, October 17, 1941, The Research Institute of America, Inc.

"A portion at least of the product of nearly every industry may be properly classed as a direct or indirect war requirement or essential to the civilian population, but in many the percentage of non-essentiality predominates. On the other hand, nearly every industry, including so-called war industries, has a percentage of non-essentiality in its production.

"It is the policy of the War Industries Board through the hearings mentioned, to take counsel with each industry, determine the extent to which it can and should as a war measure curtail its production—and particularly curtail its consumption of iron and steel—limiting its output to essential uses as far as practicable but without destroying or unnecessarily injuring any industry or legitimate business. On these hearings the chairman of the Conservation Division or his representatives give the industry the benefit of their expert knowledge and research into methods of standardization and substitution, and cooperate with the industry in (a) reducing needless lines, varieties, and sizes of products, thereby securing economy in manufacture and reducing the volume of stocks which the manufacturer, wholesaler, and dealer are required to carry, (b) through the elimination of wasteful styles, models, and methods, greatly conserving materials, and (c) through the substitution of products or materials not needed for those that are needed for war work, conserving the latter without unnecessarily reducing the output of the industry.

"When the maximum conservation of materials and products has been attained through these processes of standardization, substitution, and curtailment, the representatives of the War Industries Board participating in these conferences indicate to the industry their views as to the maximum consumption by the industries of the materials and products in question, treating the industry as a unit where such a course is practicable.

"The chief of the commodity section dealing with the particular industry then prepares a schedule apportioning such indicated maximum of materials or products to each plant on a basis which will enable each member of the industry to procure the same per cent of his normal production as all other members, taking into account the existing stocks of each. When this has been done each plant places its orders for the amount apportioned to it with its regular sources of supply, and such orders take a Class C rating.

"The war-service committees of those industries which have not as yet participated in such hearings will be given an appointment on application to the priorities commissioner or to the chief of the appropriate commodity section of the War Industries Board."

R·109. Seventy-five industries considered essential by NDAC. At the request of the National Defense Advisory Commission, the Census Bureau gave priority in the issuance of reports on manufacturing to 75 industries which the Commission regarded as of greatest importance in developing the national defense program. In ¶R·104 you will find a list of industries considered essential during the World War. This list was graded according to the essentiality of the individual industries. The list now issued by the Census Bureau does not indicate the degree

of essentiality of the industries, but it will serve for the present as a guide to manufacturers as to whether or not their branch of industry is now being considered essential by the Army, Navy and Defense Commission. This list is reproduced below.

SUMMARY OF 75 SELECTED INDUSTRIES OF DEFENSE IMPORTANCE

	Number of Establishments	Employees (In Thousands)	Value of Products (In Millions)
Total	28,975		
Aircraft and parts, including aircraft engines	125	62	280
Alloying; and rolling and drawing of nonferrous metals except aluminum	188	44	445
Aluminum products (including rolling and drawing and extruding) not elsewhere classified	162	20	170
Aluminum ware, kitchen, hospital, and household (except electrical appliances)	32	7	37
Ammunition	13	5	29
Automotive electrical equipment	84	20	110
Batteries, storage and primary (dry and wet)	221	17	117
Blast furnace products	81	21	551
Brick and hollow structural tile	800	31	78
Cane-sugar refining	27	16	384
Carbon products for the electrical industry, and manufactures of carbon or artificial graphite	31	4	18
Chemicals not elsewhere classified	543	74	838
Clay products (except pottery) not elsewhere classified	99	2	4
Clay refractories, including refractory cement (clay)	165	13	42
Clocks, watches, and materials and parts (except watchcases)	74	19	85
Coal-tar products, crude and intermediate	49	3	43
Colors and pigments	89	7	84
Communication equipment	227	41	191
Compressed and liquefied gases, not made in petroleum refineries or in natural gasoline plants	379	5	53
Cotton broad woven goods	661	323	869
Drugs and medicines (including drug grinding)	1,094	29	365
Electric lamps	55	11	85
Electrical appliances	138	23	146
Electrical measuring instruments	59	8	42
Electrical products not elsewhere classified	175	7	39
Explosives	80	8	71
Fabricated structural steel and ornamental metal work, made in plants not operated in connection with rolling mills	1,136	42	285
Files	22	3	11
Firearms	23	6	18
Floor and wall tile (except quarry tile)	49	6	18
Generating, distribution, and industrial apparatus, and apparatus for incorporation in manufactured products, not elsewhere classified	501	92	470
Gray-iron and semi-steel castings	1,161	64	210

(Continued on following page)

Copyright, October 17, 1941, The Research Institute of America, Inc.

	Number of Establish-ments	Employees (In Thousands)	Value of Products (In Millions)
Grease and tallow (except lubricating greases)	310	6	58
Insulated wire and cable	79	18	120
Internal-combustion engines	74	20	110
Logging camps and logging contractors (not operating sawmills)	967	23	70
Lubricating oils and greases—not made in petroleum refineries	232	3	49
Machine-tool and other metalworking machinery accessories, metal-cutting and shaping tools, and machinists' precision tools	954	29	126
Machine tools	200	45	218
Malleable-iron castings	83	20	53
Meat packing, wholesale	1,476	137	2,647
Metalworking machinery and equipment not elsewhere classified	178	20	99
Motor vehicles, motor-vehicle bodies, parts and accessories	1,053	443	4,040
Nonclay refractories	46	5	27
Nonferrous metal foundries (except aluminum)	600	11	56
Nonferrous metal products not elsewhere classified	438	29	142
Ophthalmic goods: lenses and fittings	91	12	45
Optical instruments and lenses	30	2	5
Paints, varnishes, and lacquers	1,165	30	435
Paper and paperboard mills	638	123	934
Petroleum refining	485	87	2,461
Plastic materials	38	9	78
Plywood mills	86	10	39
Professional and scientific instruments (except surgical and dental)	218	12	61
Reclaimed rubber	10	1	7
Roofing tile	16	1	2
Rubber products not elsewhere classified	519	58	265
Sawmills, veneer mills, and cooperage-stock mills, including those combined with logging camps and with planing mills	7,389	280	693
Saws	87	5	18
Sewer pipe and kindred products	65	7	18
Shipbuilding and ship repairing	406	74	327
Soap and glycerin	264	17	303
Steam engines, turbines, and water wheels	18	5	25
Steel castings	164	34	135
Steel works and rolling mills	253	403	2,720
Surgical and medical instruments	50	2	8
Surgical supplies and equipment not elsewhere classified; orthopedic appliances	360	10	79
Terra cotta	12	1	3
Tires and inner tubes	53	63	581
Tools (except edge tools, machine tools, files and saws)	387	18	75
Tractors	30	37	254
Wire drawn from purchased rods	95	24	177
Wiring devices and supplies	146	17	94
Woolen and worsted manufactures	583	149	685
X-ray and therapeutic apparatus and electronic tubes	84	3	18

R·110. World War power priorities. During the World War it became necessary to issue rules and regulations for the guidance of light and power companies in the distribution of electrical energy. This enabled the utilities themselves to administer power priorities where shortages occurred. Reproduced below is Priority Schedule Number 45 imposing these rules and regulations.

Appendix XXVI

(P.C. Form 75)

PRIORITIES CIRCULAR No. 45

Embodying Rules and Regulations Governing the Distribution of Electric Energy by Light and Power Companies

Under date of September 3, 1918, there was published by the Priorities Division of the War Industries Board Circular No. 20, known as Preference List No. 2, which furnishes a guide to all governmental agencies and all others interested in—

(1) The production and supply of fuel and electric energy;

(2) The supply of labor; and

(3) The supply of transportation service by rail, water, pipe lines, or otherwise, in so far as such service contributes to production of finished products.

Where the supply of electric energy is equal to the demand, there is obviously no occasion for use of the preference list.

But where the demand exceeds the available supply, due to lack of generating capacity or any other cause, then the producers and distributors of electric energy are directed to use the said preference list as a basis for distribution.

Whenever an individual plant has a preference classification differing from that of the industry to which it belongs, the individual plant classification shall govern.

Consumers having 100 horsepower connected load or less will, save in extreme cases, be treated as in Class I, irrespective of their preference list classification. It has been determined that, speaking generally, the saving of electric energy through a curtailment of these small consumers would not justify the loss, damage, inconvenience, and industrial disturbance that would follow. Where, however, it becomes absolutely necessary to do so in order to supply important Class I plants, even such small consumers should be curtailed.

Industries and plants grouped under Class I are only such as are of exceptional importance in connection with the prosecution of the war. Their requirements must be fully satisfied in preference to those of the three remaining classes.

The requirements of industries and plants grouped under Class II, Class III, and Class IV shall have precedence over those not appearing on the preference list.

If, however, after satisfying the requirements of Class I the requirements of the industries and plants grouped in the remaining three classes cannot be fully satisfied, then they shall be rationed, giving to each class a percent of its requirements in the ratio of 5, 3, and 2, which represents the relative value or importance of each class as fixed and determined by the priorities board.

A simple illustration of the application of this "method of weighted needs" as applied to the distribution of electric energy may tend to clarify this rule, under which there should be applied as nearly as practicable the formula following:

(a) The aggregate kilowatt demands of each of the four classes of all industries and plants shall be approximately ascertained.

(b) The available supply of electric energy shall be ascertained.

(c) Should the available supply equal the requirements or demands, then the requirements of all industries and plants on the preference list shall be fully satisfied.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(d) But should the requirements or demands exceed the available supply of electric energy, then there shall be deducted from such supply the requirements of Class I, 100 percent of which must be delivered, and the remainder shall be prorated between Classes II, III, and IV, giving to each a percent of its requirements in the ratio of 5, 3, and 2.

Assume that the available supply of electric energy in a particular city or district is 100,000 kilowatts, while the requirements are as follows:

	Kilowatts
Class I. Requirements (including customers having 100-horsepower connected load or less)	20,000
Class II. Requirements	40,000
Class III. Requirements	50,000
Class IV. Requirements	60,000
Total requirements	170,000
Available supply	100,000
Supply Class I in full	20,000
Balance for distribution between Classes II, III, and IV	80,000

After having allotted Class I its full service, obtain the amounts of power to be served to the other classes as follows: Multiply the requirements of Classes II, III, and IV by their priority ratio of 5, 3, and 2, respectively, to obtain the "relative figures" as shown in the example following. The total available power for Classes II, III, and IV (80,000 kilowatts) is then divided by the total of their "relative figures" (470,000 kilowatts) giving in the example a decimal of 0.17021. If the "relative figure" for any class is multiplied by this decimal, the result will be the power allotted to that class.

Class	Requirements	Multiplied by priority ratio	Equals relative figure	Multiplied by decimal	Equals power allotted	Proportion of requirements served	Ratio of Service
	Kilowatt				Kilowatt	Per cent	
II	40,000	5	200,000	0.17021	34,042	85.10	5
III	50,000	3	150,000	.17021	25,532	51.06	3
IV	60,000	2	120,000	.17021	20,426	34.04	2
Total	.....	.....	470,000	.....	80,000	....	..

Note: $\frac{80,000}{470,000} = 0.17021.$

Under this formula it will be seen that the power allotted to each of Classes II, III, and IV will always fill a proportion of the demands of the classes in the ratio of 5, 3, and 2.

It will, however, sometimes happen, when Class II or III, or both, have extremely small requirements in proportion to the total requirements of the district, that the formula will allot to one or both of these classes (II and III) an amount in excess of their respective requirements. In such a case, the overallotted class or classes should be given 100 per cent of their requirements and the balance of their allotment under the formula should be distributed either—

(a) Between the classes given incomplete service by the formula, in the ratio of their respective priority ratios (5, 3, or 2). This procedure is to apply where two classes are left incompletely served, or

(b) If only one class is left incompletely served by the formula, the overallotments of the other two classes are to be assigned to the incompletely served class.

The allotment of more than 100 per cent under the formula to a small class of high importance shows that the shortage in the district was primarily caused by the large amount of less important work in the district, and that the small class or classes of higher importance should not be penalized, since they are not responsible for the shortage.

It is not practicable, and it is not intended, that an attempt should be made to apply this formula with literal and mathematical accuracy, but it will afford a workable basis for rationing industries and plants embraced within Classes II, III, and IV, where the available supply, after satisfying Class I, is less than their aggregate requirements or demands.

In case any consumer shall be dissatisfied with the applications made and the electric energy furnished him under these rules and regulations, such consumer may present his complaint in writing to the priorities division of the War Industries Board, sending a copy of such complaint to the power company interested. Pending further directions from such division the power company shall continue to distribute electric energy in accordance with these rules and regulations notwithstanding the lodging of a complaint by a dissatisfied consumer.

The War Industries Board fully appreciates, and is grateful for, the support and wholehearted cooperation which it has received at the hands of both the producers and distributors of electric energy on the one part, and their consumers on the other, in connection with the handling of such cases of power shortages as have already arisen. These rules and regulations have been promulgated with the view of stimulating production to meet the requirements of the war program, and at the same time reduce to a minimum the inevitable disturbance to industry due to power shortages. With confidence we bespeak the continued cooperation of all interested parties in our efforts to reach sound and just solutions of these difficult and constantly recurring problems.

Yours very truly,

EDWIN B. PARKER,
Priorities Commissioner.

Washington, D. C., October 7, 1918.

Copyright, October 17, 1941, The Research Institute of America, Inc.

CHAPTER III

Priority Agencies

VARIOUS existing government agencies have the responsibility for undertaking measures relating to the establishment and administration of priorities in particular enterprises. In some cases, these agencies are merely advisory; in others, they have actual power to initiate and direct the application of priority measures. Most important of the agencies are the Priorities Committee of the Army and Navy Munitions Board and the Division of Priorities of the Office of Production Management. In addition, normal peacetime administrative agencies like the Interstate Commerce Commission, the Federal Communications Commission, the Maritime Commission, etc., have or may be given priority powers. This Chapter discusses the agencies which now have or which may soon have the right to exercise priority control.

R·301. Regular administrative bodies. Normal peacetime administrative bodies concerned with the problems of particular industries or types of industries are logical agencies for handling certain priority problems. Obviously the Interstate Commerce Commission is more suitable and better equipped by experience for the effective administration of transportation priorities than any newly created agency could be. It would work with the priority agencies. Similarly, if labor priorities are necessary, the Department of Labor's Bureau of Employment Security could be expected to handle the situation with greater facility. Even where such agencies possess no explicit priority powers, they are consulted by the special priority agencies because of their intimate knowledge of the industries' problems.

Priority agencies are functioning already. Are you familiar with the procedures outlined for industrial priorities? For transportation priorities? For communications priorities? For national defense contracts? For aircraft? The problems involved are no longer academic.

R·302. Interstate Commerce Commission—transportation priorities. The Interstate Commerce Commission is empowered under the Act of February 4, 1887, as amended by the Act of August 29, 1916, to administer transportation priorities by giving defense needs preference in case of any shortage in rolling stock or the appearance of any other transportation bottlenecks. Of course, in doing so, the Interstate Commerce Commission would cooperate with the Transportation Division of the National Defense Advisory Commission or its successor in the defense machinery.

In addition, the Office of Price Administration is authorized to take steps, when necessary, to effect compliance with transportation priorities under the Act of February 28, 1920.

R·303. Maritime Commission. In connection with the priorities on shipping, the Maritime Commission is the logical agency for priority administration. It has established a Division of Emergency Shipping to handle all emergency transportation problems, maintain liaison with the Navy Department, War Department, Reconstruction Finance Corporation, Office of Production Management, State Department and all other government departments and agencies with respect to ocean transportation, supervise sales, charters, transfers, reallocations, reassignments and requisitions of all vessel tonnage in connection with emergency transportation.

Its primary duty is to make the most efficient possible use of available American flag tonnage if necessary by a priority system.

R·304. Federal Communications Commission. In the event of any emergency affecting communications, the Federal Communications Commission is authorized to fix priorities for telegraph, telephone and radio facilities. This authority derives from the Act of June 19, 1934. Here, too, the Federal Communications Commission would act in cooperation with the defense machinery. In addition, it would cooperate with the specially created Defense Communications Board.

R·305. The Defense Communications Board established. A special Defense Communications Board was established by executive Order No. 8546 promulgated by the President on September 24, 1940. The purpose of this Board is to coordinate planning for the most efficient control of radio, wire and cable communications of the United States in times of national emergency. The planning is to take place with special consideration of the needs for communication of the armed forces of the United States, of other government agencies and of industry.

The Defense Communications Board consists of the Chairman of the Federal Communications Commission, the Chief Signal Officer of the Army, the Director of Naval Communications, and the Assistant Secretary of Treasury in charge of the Coast Guard.

The Defense Communications Board is to allocate governmental and non-governmental radio, wire and cable facilities as may be required to meet the needs of the armed forces. However, due consideration will be given to the needs of non-defense governmental agencies, industry and necessary civilian activities.

Copyright, October 17, 1941, The Research Institute of America, Inc.

The Board has no authority to exercise censorship. It is to study the physical aspects of broadcasting and will recommend such precautions, supplementary facilities and re-allocations as it deems desirable under foreseeable military conditions.

It will also make plans for the speedy, efficacious use of all necessary facilities in time of military emergency. The Board may appoint committees, call in experts for consultation and, if the United States is a belligerent or a national emergency exists, may call in the Interdepartment Radio Advisory Committee to act as a committee of the Board.

R·306. Department of Labor and labor priorities. The organizations at present equipped to administer labor priorities would be the Department of Labor, more particularly the office of the Commissioner of Labor Statistics, and the Social Security Board, more particularly, the United States Employment Service within the Bureau of Employment Security.

Extensive use of the public employment offices is being urged so that the recruiting of workers may be conducted in an orderly manner. Confusion in the labor market, the accentuation of uncoordinated migration, the dislocation of new defense industries, and any unnecessary dislocation of workers needed for regular private industry, can thus be reduced.

Qualified workers who register with the local employment offices are being selected for reference to the local representative of the Civil Service Commission. Where necessary and desirable, local offices are making arrangements to transfer skilled workers to areas where their services are needed. In some localities employment offices are making selections of individuals to be trained for work in key occupations. The actual training is being given by industry or by the school systems. There are approximately 1,500 fully equipped and fully staffed public employment offices and over 3,000 additional locations visited periodically by itinerant interviewers in order to serve sparsely populated areas.

The Bureau of Employment Security has recently completed an inventory of the active files of all public employment offices. This inventory provides information regarding the industrial, occupational, and personal (age, sex, color) characteristics of over 5,000,000 job seekers registered in local offices. In addition the Bureau has completed an occupational index for a great proportion of the jobs in American industry. Both the inventory and the job index will facilitate placement of job seekers in those industries and federal agencies which are expanding as a result of the national defense program.

The Bureau is also compiling labor market data reflecting potential industrial labor supply and general developments indicative of labor shortages.

R·307. Securities and Exchange Commission—priorities on credit. The administration of a priority system may require that certain activities be given a preference rating in order that they might be able to finance their activities. The Securities and Exchange Commission is the logical agency for obtaining preference for defense activities and diverting credit to it. Thus, for example, Sumner P. Pike, Head of the Securities and Exchange Commission, prepared plans to bar capital financing which might draw materials and skilled workers from

defense industries. After consultation with Edward R. Stettinius, Jr., Director of Priorities, and Sidney Hillman, Associate Director of the OPM, Mr. Pike announced the following policy:

"Wherever it appears that any of the proceeds of a securities issue registered with us are to be used for new or additional facilities, such as buildings or machinery, we shall contact these branches (Stettinius' Priorities Division) of the national defense program. If they tell us either that materials or labor are unavailable or likely to be unavailable for the purpose specified in the registration statement, we shall require that this information be prominently displayed in the registration statement and prospectus."

Such disclosures would obviously discourage financing of the projects. As a result of such a program, the OPM would be able to control all efforts for the public raising of money for new projects. Credit, materials and labor can thus be diverted from non-essential to defense industries and available credit can be conserved for the financing of defense industry alone, if necessary.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Special Priorities Bodies

R·310. Emergency priorities agencies. In addition to the normal administrative bodies created for peacetime problems, special agencies have been set up to deal with the problem of priorities. These agencies fall into two categories:

(1) Advisory bodies which merely have the power to study and recommend action.

(2) Administrative bodies which have the power to make decisions and to carry them into actual practice.

Advisory bodies include such agencies as the Priorities Division of the Army and the Priorities Board (not to be confused with the Priorities Division) attached to the Office of Production Management. Administrative Boards include the Priorities Committee of the Army and Navy Munitions Board and the Priorities Division of the Office of Production Management.

R·311. Priorities Division of the Army. The Priorities Division of the Army is a section of the Planning Branch. Its task has been largely preparatory, laying the groundwork for the newly created agencies which function in the present defense set-up. (See ¶ J·317)

R·312. Priorities Board. In order to coordinate the planning of priority steps with the other controls of a defense economy, such as price control, the President created a Priorities Board, attached to the Office of Production Management. Its function is to study and make recommendations concerning the administration of priorities. (See ¶ J·62) Its personnel consists of William S. Knudsen, Edward R. Stettinius, Jr., John D. Biggers, Donald M. Nelson and Leon Henderson.

R·313. Priorities Committee of the Army and Navy Munitions Board. The Army and Navy Munitions Board maintains a joint Priorities Committee which has concrete power to coordinate the administration of priorities and to prevent conflict between Army and Navy orders. It is concerned with determining the relative importance of military items, such as guns, tanks, airplanes, ammunition, etc. On the basis of such determinations, embodied in Priorities Directives, contracting officers of the Army and Navy, operating through the Priorities Committee of the ANMB, administer the assignment of preference ratings to items on a special list known as the Priorities Critical List.

The Critical List consists of items which are primarily of a military character and which usually have no direct counterpart in commercial production. Accessories and materials needed for the construction of items on the Critical List are also deemed to be on the List. (See ¶s R·545 et seq.)

While originally the Priorities Committee of the Army and Navy Munitions Board administered only preference ratings for prime contracts and for their subcontractors on Critical List items, it has been given authority to fix preference

ratings on such items and to extend them to subcontractors and re-extend them even further where accessories and other component parts are needed for the completion of an item on the Critical List. The Priorities Committee of the Army and Navy Munitions Board also assigns preference ratings on contracts let by Government agencies other than the Army and Navy. Such other agencies include the Coast Guard, Maritime Commission, Coast and Geodetic Survey, Panama Canal, Civil Aeronautics Board, and the National Advisory Committee on Aeronautics. The Priorities Committee is authorized to establish preference ratings for contracts and orders of certain foreign governments including Great Britain and Canada. Such assignments of preference ratings are subject to the approval of the Director of Priorities who heads the Division of Priorities of the Office of Production Management.

Observation: The Army and Navy Munitions Board's Priority Committee assigns preference ratings in all cases within the framework of the Priorities Critical List. This includes all fabricated parts, accessories, components, etc., necessary for the completion, maintenance or operation of items on the Critical List which are designed to meet military specifications and are not commercially useful for ordinary civilian purposes. Its assignment of preference ratings is no longer limited, as formerly, to prime contractors and their first subcontractors. If an item is on the Critical List or is a component of such an item on the Critical List, the Army and Navy Munitions Board can issue preference ratings even though the recipients are neither prime contractors nor first subcontractors.

The Priorities Committee of the Army and Navy Munitions Board administers the assignment of preference ratings to Army and Navy orders not only for prime contracts and first subcontracts, as was formerly the case, but also for all other subcontracts for Critical List items entering into such orders.

The Army and Navy Munitions Board operates wholly within the framework of the Critical List. In the case of such items as aluminum, magnesium, neoprene and nickel, which are subject to industry-wide mandatory priorities and are also on the Critical List, their allocation by the Priority Division takes precedence over ratings assigned by the Army and Navy when shortages are so acute as to make necessary a diminution of quantities flowing to military channels.

R·314. Official statement concerning jurisdiction of Priorities Committee. On March 17, 1941, Edward R. Stettinius, Jr., Director of Priorities, issued Administrative Order No. 1 of the Division of Priorities which validated previous priorities actions and which defined the authority of the Priorities Committee of the Army and Navy Munitions Board. The following is the text of the Order:

Copyright, October 17, 1941, The Research Institute of America, Inc.

OFFICE OF PRODUCTION MANAGEMENT

Division of Priorities

Division Administrative Order No. 1

Validating and Extending Previous Priorities Actions and Orders and Prescribing the Duties and Functions of the Priorities Committee of the Army and Navy Munitions Board in Assigning Preference Ratings to Army and Navy and United States and Foreign Government Orders.

WHEREAS, Executive Order 8629, dated January 7, 1941, established the Office of Production Management, and therein the Division of Priorities in charge of a Director appointed by the Office of Production Management with the approval of the President and vested therein authority to determine when, to what extent and in what manner priorities shall be accorded to deliveries of material pursuant to Section 2(a) of the Act entitled "An Act to Expedite National Defense and for other Purposes," approved June 28, 1940, and to exercise the authorities vested in the President by Section 9 of the Selective Training and Service Act of 1940; and

WHEREAS, the Office of Production Management, with the approval of the President appointed Edward R. Stettinius, Jr., as Director of the Division of Priorities, and by Regulation No. 3, dated March 7, 1941, approved by the President March 8, 1941, formally confirmed the authority of said Edward R. Stettinius, Jr., as Director of Priorities pursuant to Executive Order No. 8629 dated January 7, 1941, to exercise the authority of the Office of Production Management to establish priorities and otherwise relating to priorities as specified in said Regulation No. 3, including specific authority

(1) "To validate and extend to such extent as said Director may define, action with respect to priorities and related matters heretofore taken by the former Administrator of Priorities and the former Priorities Board pursuant to authority of Executive Order No. 8572 dated October 21, 1940, and amended by Executive Order No. 8612 dated December 15, 1940, and revoked by said Executive Order No. 8629, or by said Director of Priorities or by the Army and Navy Munitions Board or by contracting and procurement officers and inspectors of the War and Navy Department," and

(2) "To assign or provide for the assignment of preference ratings to all contracts and subcontracts and material directly or indirectly necessary to the defense program; on ultimate military items, the Director of Priorities shall be guided by categories of military preferences including the modification of existing categories, as set forth from time to time by the Army and Navy Munitions Board.

"To issue or provide for the issuance of all preference or priority certificates or orders to contractors, subcontractors, and others supplying material directly or indirectly necessary to the defense program.

"To utilize and supervise, in accordance with procedures devised with the concurrence of the Army and Navy Munitions Board, the services of the contracting and procurement officers and inspectors of the War and Navy Departments, in connection with priorities and related matters.

"To establish preferences with respect to indirect defense material, and domestic and foreign material, pursuant to such agreement and cooperation as may be necessary."

NOW, THEREFORE, by virtue of the authority vested in the aforesaid Director of Priorities, it is hereby ordered that:

I. Validation and Extension of Previous Priorities Actions and Orders.

All preference rating certificates, blanket preference rating orders, and other orders and directions establishing priorities and all other actions with respect to preference ratings and priorities, and with respect to related matters, heretofore issued, signed, ordered, directed or taken by the Priorities Committee of the Army and Navy Munitions Board, by the Army and Navy Munitions Board, by said former Administrator of Priorities and said former Priorities Board, and by said Director of Priorities, and by their authority, are hereby validated and continue valid in effect until termination or expiration by the terms thereof or by circumstances

or conditions of their application, or until hereafter terminated, cancelled, modified, changed or amended by action by the said Director of Priorities.

II. Duties and Functions of the Priorities Committee of the Army and Navy Munitions Board.

1. *Establishment of Schedules of Preference Ratings*

(a) *For Army and Navy Orders.* The Priorities Committee of the Army and Navy Munitions Board shall, with the concurrence of the Director of Priorities, by Priorities Directives, establish schedules of preference ratings to be assigned to categories of contracts and orders of the Army and Navy and extensions to subcontracts and suborders thereunder, according to the relative importance of the various Procurement projects of the Army and Navy in the Defense program.

(b) *For Other United States Government Agency Orders.* The Priorities Committee of the Army and Navy Munitions Board shall establish, subject to the approval of the Director of Priorities, schedules of preference ratings to be assigned to categories of contracts and orders of the other agencies of the United States Government, which shall include, until further order, the Coast Guard, Maritime Commission, Coast and Geodetic survey, Panama Canal, and National Advisory Committee on Aeronautics.

(c) *For Foreign Government Orders.* The Priorities Committee of the Army and Navy Munitions Board shall, subject to the approval of the Director of Priorities, establish schedules of preference ratings to be assigned to categories of contracts and orders of certain foreign governments including, until further order, Great Britain and Canada.

2. *Assignment of Preference Ratings.*

The assignment of all such preference ratings to deliveries of material under all contracts and orders hereinbefore specified in paragraph 1, and the extension of such preference ratings to deliveries of material which enter directly or indirectly into the manufacture of any material for delivery under such contracts and orders, shall be made by the Priorities Committee of the Army and Navy Munitions Board and the Contract and procurement officers and inspectors of the Army and Navy, in accordance with the Army and Navy Priorities Instructions (see ¶ K·313); Provided

(a) Such preference ratings shall apply only to items which appear upon the Priorities Critical List as revised to March 14, 1941, of the Priorities Committee of the Army and Navy Munitions Board (see ¶ K·531), as the same may be supplemented, modified or changed from time to time by said Committee with the approval of the Director of Priorities.

(b) That ratings higher than those authorized by the then current Priorities Directives referred to in paragraph 1 above may be assigned by the Priorities Committee of the Army and Navy Munitions Board with the concurrence of the Director of Priorities.

(S) .....
E. R. STETTINIUS, JR.
Director of Priorities

March 17, 1941

R·315. Division of Priorities. The Division of Priorities, which is one of the major sections of the Office of Production Management is the senior agency responsible for the administration of priorities. Its powers and duties are set forth in Regulation No. 3 of the Office of Production Management. It has the task of balancing civilian and defense needs at all times and has the authority to extend priorities to important civilian projects as well as to exceptional cases involving military projects. It handles cases which relate to nondefense, domestic and foreign orders. In general, it has authority to issue preference ratings for all items not on the Critical List and all allocations of raw materials which have

Copyright, October 17, 1941, The Research Institute of America, Inc.

been subjected to industry-wide control. It has the power, also, to issue blanket preference ratings in those cases where such ratings are deemed necessary.

The Division of Priorities establishes general policy on priorities with respect to purchasing by government departments, agencies, private parties, and foreign governments. To facilitate its work, it establishes advisory committees and subcommittees for the handling of special priority problems. It makes recommendations to other government agencies regarding priority questions. It has the power to modify or alter priority proceedings.

It works very closely with the War and Navy Departments and other governmental agencies to determine from time to time whether their activities are consistent with the policies of the Division. It is responsible for solving problems arising from conflict between government agencies. The Division of Priorities provides for the issuance of preference ratings for materials placed by governmental departments and agencies other than the War and Navy Departments, the Maritime Commission, Coast and Geodetic Survey, Coastal Guard, Civil Aeronautics Board, and the National Advisory Committee on Aeronautics, to related subcontracts. It assigns the preference ratings for contracts and materials placed by private persons or by foreign governments insofar as these orders are indirectly of a defense character. The administration of priorities in connection with the purchase of ordinary civilian supplies is in the hands of the Priorities Division. This is true of private as well as government contracts.

¶*Illustration:* B Company, a turbine manufacturer, has a contract with the Zenith Street Railway Company for an electric turbine for street railway system. The X Company, a power supplier, needs a turbine for additional power in factories producing defense and non-defense items. The X Company should apply for a priority rating and should make such application to the Director of Priorities who heads the Division of Priorities of the OPM. It will not be necessary in some cases to issue a formal preference rating, since the Director can obtain priority frequently—in fact in most instances—by negotiation. He simply communicates with the Zenith Street Railway Company and says that he would appreciate it if the X Company received the first turbine under construction since it is vitally needed for additional power for factories working on defense items. In the vast majority of instances this accomplishes, in much speedier and much simpler fashion, the desired objective. Thus, it is always best, in such cases, to communicate the necessary facts to the Director of Priorities.

¶*Observation:* It should be noted that the Division of Priorities, as the senior prioritites agency, signs all preference rating certificates, including those which are actually issued by the Priorities Committee of the Army and Navy Munitions Board. In effect, this means that the Division of Priorities signs preference rating certificates in blank which the ANMB issues in the course of administering priorities on Critical List items.

The control is not decentralized between the two bodies since the contracting officers of the Army and Navy Munitions Board return carbon copies of the completed preference rating certificates to the Priorities Division of the OPM and to the ANMB.

R·316. Structure of the Division of Priorities. The administration of priorities by the Priorities Division is organized in five Sections, each under a Group Chairman, namely: (1) Minerals and Metals, (2) Chemicals, (3) Commercial Aircraft, (4) Tools and Equipment, (5) General Products.

Each of the five groups of the division is advised by one or more Priority Committee; made up, typically, of the Group Chairman of the section and representatives of the Army, the Navy, the producing industry, the industrial users and labor. Representatives of the Divisions of Production and Purchases act as Committee experts and contact points with those divisions. Advisers on prices, consumer and agricultural matters are also available to the Committees.

R·317. Action in case of conflict. The administrative agencies recognize that the field of activity of each body cannot be rigidly defined. Consequently, in cases of conflict the policy that is pursued provides for the settling of such conflicts within each level of authority. Thus, if the conflict arises within a supply arm or bureau, there is sufficient existing authority within that agency to resolve the internal conflict. Where the conflict affects defense contracts or subcontracts of more than one branch of the Army or one bureau of the Navy for items on the Critical List, the Priorities Committee of the Army and Navy Munitions Board is authorized to settle the problem. When cases involve items not on the Critical List, or in cases relating to non-defense domestic orders, the Division of Priorities has authority to settle the disputes.

R·318. Office of Price Administration. The Office of Price Administration has been given certain priority powers because of two factors:

(1) Priorities are likely to affect prices;

(2) The priority power may be exercised as sanctions against any recalcitrants who refuse to cooperate in the administration of price controls.

Thus, persons who violate price regulations may be denied transportation priorities until they indicate their willingness to conform.

R·319. Legislative sanction for priorities on Army and Navy orders. The imposition of compulsory priorities by means of action taken by the Division of Priorities and the Army and Navy Munitions Board stems from legislation already enacted. Section 2(a) of the Act of June 28, 1940 *(Public No. 671, 76th Congress)* declares that "deliveries of material under all orders placed pursuant to the authority of this section and all other naval contracts or orders and all Army contracts and orders shall, in the discretion of the President, take priority over all deliveries for private account or for export." In addition, the President has the power to commandeer recalcitrant industry which refuses to comply in the making of Government orders. Under certain circumstances, the commandeering powers of Section 9 of the Selective Service Act or of Section 120 of the National Defense Act could also be invoked. (See ¶s T·101 et seq.)

observation: In issuing general preference orders governing the application of priorities to specific industries, the Division of Priorities has relied exclusively

Copyright, October 17, 1941, The Research Institute of America, Inc.

on the fact that the President has delegated to it the powers granted to him by the Act of June 28, 1940. (See ¶ T·120)

R·320. Legal sanction for extension of priorities to subcontracts. Because it was necessary to insure the prompt delivery of materials, articles, equipment and supplies essential for the completion of government contracts, the President, in an executive order, authorized that "deliveries of material under all orders" should take priority over all deliveries for private account or for export. *(Executive Order No. 8572, dated October 21, 1940)*

R·321. National Defense Act makes priority compliance mandatory. Section 2(a) of the National Defense Act of June 28, 1940, as amended by the Priorities Act of May 31, 1941 *(Public No. 89, 77th Congress)* and the Second War Powers Act, 1942 *(¶ S·2,208, 3/26/42)*, endows the President with express power to apply priorities to (1) contracts or orders for foreign governments whose defense the President deems vital to the defense of the United States; (2) contracts or orders which the President deems necessary or appropriate to the defense work of the United States; and (3) subcontracts or suborders which the President deems necessary for the fulfillment of any such contract or order.

The President may require reports and the keeping of records. The books, records and other writings, premises or property, of any person may be inspected (see ¶ H·662). Refusal to comply with the records and inspection provisions of the Section or breach of any other provision is a misdemeanor punishable by a fine of not more than $10,000 or imprisonment for not more than one year, or both.

LAW: Act of June 28, 1940, as amended: *Section 2(a)(1). Reproduced at F·1,751 (concerns negotiated contracts).*

Section 2(a) (2). Deliveries of material to which priority may be assigned pursuant to paragraph (1) shall include, in addition to deliveries of material under contracts or orders of the Army or Navy deliveries of material under—

(A) Contracts or orders for the government of any country whose defense the President deems vital to the defense of the United States under the terms of the Act of March 11, 1941, entitled "An Act to promote the defense of the United States";

(B) Contracts or orders which the President shall deem necessary or appropriate to promote the defense of the United States;

(C) Subcontracts or suborders which the President shall deem necessary or appropriate to the fulfillment of any contract or order as specified in this subsection (a).

Deliveries under any contract or order specified in this subsection (a) may be assigned priority over deliveries under any other contract or order; and the President may require acceptance of and performance under such contracts or orders in preference to other contracts or orders for the purpose of assuring such priority. Whenever the President is satisfied that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of any material or of any facilities for defense or for private account or for export, the President may allocate such material or facilities in such manner, upon such conditions and to such extent as he shall deem necessary or appropriate in the public interest and to promote the national defense.

Section 2(a) (3-4). Reproduced at ¶ H·662 (pertains to inspection, reports and investigation).

Section 2(a) (5). Any person who willfully performs any act prohibited, or willfully fails to perform any act required by, any provision of this subsection (a) or any rule, regulation, or order thereunder, whether heretofore or hereafter issued, shall be guilty of a misdemeanor, and shall,

Copyright, April 15, 1942, Research Institute.

upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both.

(6) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States and the courts of the Philippine Islands shall have jurisdiction of violations of this subsection (a) or any rule, regulation, or order or subpoena thereunder, whether heretofore or hereafter issued, and of all civil actions under this subsection (a) to enforce any liability or duty created by, or to enjoin any violation of, this subsection (a) or any rule, regulation, order, or subpoena thereunder whether heretofore or hereafter issued. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; and subpoena for witnesses who are required to attend a court in any district in any such case may run into any other district. No costs shall be assessed against the United States in any proceeding under this subsection (a).

(7) No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this subsection (a) or any rule, regulation or order issued thereunder, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid.

(8) The President may exercise any power, authority, or discretion conferred on him by this subsection (a), through such department, agency, or officer of the Government as he may direct and in conformity with any rules or regulations which he may prescribe.

R·321.1. The government can inspect your records and plant.

Observation: Note that the National Defense Act of 1940, as amended, supra, permits the President to require reports and the keeping of records necessary to the administration or enforcement of priorities. Your books, records, and other writings, premises or property are subject to inspection. The President can make investigation and subpoena witnesses and evidence.

R·322. Local priority field offices. In order to speed up the tempo of production under the priority system and to avoid unnecessary delays and errors in priority administration, the Division of Priorities has established field offices in strategic industrial areas. In charge are district managers who work in close cooperation with regional Defense Contract Service coordinators (see ¶ G·113) in their areas. They are equipped to advise business men on procedure to be followed in making applications for preference ratings, the proper method of filling out forms and questionnaires, methods to be used in adapting their business practices to new conditions and on any other questions arising in connection with the priorities system.

The offices can always be reached through the Federal Reserve Banks in the cities named. The cities in which they are located and the district managers are as follows:

William P. Homans, District Manager
Priorities Field Service
Office of Production Management
30 Pearl Street
Boston, Massachusetts

Philip M. McCullough, District Manager
Priorities Field Service
Office of Production Management
25 Broad Street
New York, New York

James B. Crockett, District Manager
Priorities Field Service
Office of Production Management
Wood and Alkard Streets
Dallas, Texas

Walter Hall, District Manager
Priorities Field Service
Office of Production Management
160 Fort Street, West
Detroit, Michigan

Frederick W. Slack, District Manager
Priorities Field Service
Office of Production Management
925 Chestnut Street
Philadelphia, Pennsylvania

Louis E. Crandall, District Manager
Priorities Field Service
Office of Production Management
411 Locust Street
St. Louis, Missouri

Warren G. Bailey, District Manager
Priorities Field Service
Office of Production Management
230 South LaSalle Street
Chicago, Illinois

William T. Walker, District Manager
Priorities Field Service
Office of Production Management
East Sixth Street and Superior Avenue
Cleveland, Ohio

Virgil Board, District Manager
Priorities Field Service
Office of Production Management
Seventeenth & Arapahoe Streets
Denver, Colorado

Charles C. Cruciger, District Manager
Priorities Field Service
Office of Production Management
Grant Street and Ogle Way
Pittsburgh, Pennsylvania

John B. Reeves, District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Atlanta, Georgia

Andrew L. Kerr, District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
San Francisco, California

Bruce W. Burroughs, District Manager
Priorities Field Service
Office of Production Management
Union Trust Bldg.
Cincinnati, Ohio

William D. Shannon, District Manager
Priorities Field Service
Office of Production Management
Stuart Building
Seattle, Washington

G. Howard Hutchins, District Manager
Priorities Field Service
Office of Production Management
1151 South Broadway
Los Angeles, California

Clifford H. Carr, Assistant District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Kansas City, Missouri

J. S. Bronson, District Manager
Priorities Field Service
Office of Production Management
Sterrick Bldg.
Memphis, Tennessee

James T. Howington, District Manager
Priorities Field Service
Office of Production Management
Todd Bldg., 4th & Market Sts.
Louisville, Kentucky

George S. Gillen, District Manager
Priorities Field Service
Office of Production Management
1015 Stohlman Bldg.
Nashville, Tennessee

Oscar A. Baarson, District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Helena, Montana

Dyer Butterfield, District Manager
Priorities Field Service
Office of Production Management
Knoxville, Tennessee

C. F. Aurand, District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Oklahoma City, Oklahoma

Copyright, February 27, 1942, Research Institute.

Albert O. Evans, District Manager
Priorities Field Service
Office of Production Management
Circle Tower Bldg.
Indianapolis, Indiana

Willard F. Kiesner, District Manager
Priorities Field Service
Office of Production Management
Rand Tower Bldg.
Minneapolis, Minnesota

J. Fred Bergesch, District Manager
Priorities Field Service
Office of Production Management
Bedell Bldg.
Portland, Oregon

Ralph E. Bristol, District Manager
Priorities Field Service
Office of Production Management
Utah Oil Bldg.
Salt Lake City, Utah

George L. Noble, Jr., District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Houston, Texas

Paul R. Smith, District Manager
Priorities Field Service
Office of Production Management
M & T Bank Bldg.
Buffalo, New York

George H. Andrews, District Manager
Priorities Field Service
Office of Production Management
Hildebrandt Bldg.
Jacksonville, Florida

J. E. McDougall, District Manager
Priorities Field Service
Office of Production Management
Liberty Life Bldg.
Charlotte, North Carolina

Theodore M. Chandlee, District Manager
Priorities Field Service
Office of Production Management
Baltimore Trust Building
Baltimore, Maryland

Fred P. Wilmer, District Manager
Priorities Field Service
Office of Production Management
Federal Reserve Bank Bldg.
Richmond, Virginia

Carl L. Pool, District Manager
Priorities Field Service
Office of Production Management
415 W. French Place
San Antonio, Texas

Robert C. Stryker, District Manager
Priorities Field Service
Room 223, El Paso National Bank Building
El Paso, Texas

Theodore L. Hausmann, District Manager
Priorities Field Service
Room 901, Wallace South Building
Tampa, Florida

C. S. Jamison, Acting District Manager
Priorities Field Service
Room 408, Security Building
Phoenix, Arizona

R·323. Relations with government Contracting Officers.

recommendation: It is in the interest of contractors and their subcontractors that contractors maintain a good business relationship with the Contracting Officers of the government departments with which they deal. Just as in ordinary business relationships where personal contact frequently is the difference between getting an order and losing one, so personal contact with the Contracting Officer of the government frequently means the difference between getting a preference rating countersigned quickly and properly and getting a preference rating signed after a lag of days or weeks.

recommendation: Contracting officers change from place to place fairly frequently. There will be occasions when you may not know which officer to deal with. In such a case as this, contact the nearest of the Priorities Division Field Offices attached to the Federal Reserve Banks and request them to find out as quickly as possible who should countersign your preference rating.

R·324. Compliance and Field Section of Priorities Division. The Division of Priorities has undertaken to police priority practices. A special Compliance and Field Section was created on August 13, 1941 in order to provide the machinery for enforcing priority rules and for representing the Priorities Division in the field. It will investigate and take appropriate action in cases involving non-compliance or violations. According to the Division of Priorities, the measures to be taken will include publicity about violations, restriction on supplies in the case of violators and court action to compel compliance.

The Compliance and Field Section is headed by L. J. Martin, Assistant Deputy Director, and combines all the functions hitherto performed separately by various operation units in achieving compliance, maintaining contact, conducting educational activity, supervising inventory control, etc.

Working with Mr. Martin as senior consultant will be E. C. Laird, Jr. J. H. Ward will be assistant to Mr. Martin. L. Edward Scriven will direct operations of the Compliance Unit and the Field Service organization. (See ¶ R·322) Mr. Ward, Mr. Laird and Mr. Scriven are Assistant Deputy Directors.

R·325. Supply Priorities and Allocations Board abolished. On August 28, 1941, the President by Executive Order established the Supply Priorities and Allocations Board (SPAB) as the machinery for fixing priorities and allocation of the supply of materials, fuel, power and other commodities of all kinds in the United States. The seven-man Board was abolished with the establishment of the War Production Board on January 21, 1942.

Copyright, February 27, 1942, Research Institute.

CHAPTER IV

Current Priority Practices

THERE HAS been a rapid speedup in the tempo with which voluntary and mandatory priorities are being applied. Even where voluntary priorities have not yet been made mandatory, serious problems have arisen for the individual business man. Under the present setup priorities affect prime contractors, subcontractors, sub-subcontractors and their suppliers. This Chapter reviews the current priority practices. Check here for the procedure to follow if you want a priority rating or want to have your priority rating extended to a subcontractor.

R·501. Priority methods. The priority system has been defined as a method of giving precedence to a contract or order in order to permit its completion or delivery on a particular date. It may involve the necessity of deferring action on other contracts or orders. The establishment of such precedence for more essential contracts may be achieved by any one of the following four methods:

(1) The interchange of delivery dates of orders before the article is completed.

(2) Diverting the delivery of completed items from one order to another.

(3) Accelerating the manufacturing process of certain items at the expense of other items with competing delivery dates.

(4) Allocating the output of a supplier on a pro rata basis among customers in accordance with their relative importance.

R·502. Preference ratings. The Priorities Division of the Office of Production Management and the Priorities Committee of the Army and Navy Munitions Board administer the priorities system by applying preference ratings to various contracts and orders. The ratings are so listed as to indicate

Business men working on government contracts are confronted with many problems involving priority practices. Do your priority rights extend to your subcontractor and his subcontractor? Are you liable for delay on private orders pushed aside to give government orders right of way?

the order in which defense and non-defense contracts are to be executed by industry. As far as is necessary, each contract placed by government agencies with private industry, or each order assigned to arsenals or Navy Yards, is given a preference classification determined by the Army and Navy Munitions Board which is familiar with the needs of the military forces. In the case of contracts or orders for direct military supplies or such other items as are placed on the Priorities Critical List (see ¶s R·545 et seq.), it is the contracting officer who acts as the representative of the Army and Navy Munitions Board. On the other hand, the Division of Priorities determines the assignment of preference ratings so far as civilian and non-Critical List items are concerned. The two agencies, of course, consult in making such determinations.

The preference ratings are determined by the use of letters of the alphabet and Arabic numerals. A special Class AA has been reserved for future emergencies. Class A, in which many items are already included, consists of such Army and Navy orders as require specially preferred treatment. Preference ratings, in the order of precedence are: AA (which may be broken down into AA-1, AA-2, etc.), A-1-a, A-1-b, A-1-c, . . . A-1-j, A-2, A-3 . . . A-10, B-1, B-2, B-3 . . . etc. Each government order or contract carries a desired delivery date.

observation: The delivery date is the primary consideration in contracts of the same class. The indicated delivery date must be carefully observed in connection with the preference rating.

illustration: If a manufacturer receives two orders, the first to be completed in six months and the second to be completed in seven months, the preference rating given to each will determine which he fills first if he finds that he cannot carry out both. Thus, if Order No. 1, which is to be completed in six months, has a preference rating of A-4, and Order No. 2, to be completed in seven months, has a preference rating of A-2, the manufacturer must see to it that Order No. 2 is finished on time, even at the expense of Order No. 1.

observation: The priorities system is not intended to cause the suspension of other operations, except where it is absolutely essential for the completion of the preferred order. A high preference rating does not mean that work on, or delivery of, orders bearing a lower classification or orders for private account or for export should be delayed, unless such delay is necessary to meet the delivery date on the order bearing the superior preference rating. As long as the delivery dates can be met, details of adjustment are left primarily to industry itself.

recommendation: Do not hesitate to confer with your contracting officer who represents the Army and Navy Munitions Board or with the Division of Priorities of the OPM where you feel that adjustments can be made. They do not want the use of priorities to hamper normal production for whatever purpose unless it is the only way they can be sure that your more important work will be concluded successfully and will be available on the delivery date.

R·503. Re-rating of orders. It is possible for orders to be re-rated from time to time. For example, due to the fact that too many orders in some fields were given preference rating A-1, it became necessary to break down this class

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·539. Action to adjust difficulties in complying with preference rating certificates. If the supplier is unable to meet the specified delivery dates, or anticipates that he may be unable to do so, all of the facts and circumstances, including an explanation of the anticipated delay, should be reported immediately to the government official who countersigns the Preference Rating Certificate.

If the contractor's problem of getting required equipment and supplies becomes acute, the case will be referred by the countersigning officer to the Priorities Committee of the Army and Navy Munitions Board, Room 2010, Munitions Building, Washington, D. C. Cases which the Board is unable to adjust are referred to the Division of Priorities which then takes such action as it deems advisable in the particular instance.

Where a firm has a primary contract and a subcontract marked with a higher preference rating and cannot meet delivery dates on both, the subcontract with the higher rating must be filled relative to delivery dates. Thus if an A-1 order has a September 15 delivery date and an A-2 order has a June 15 delivery date, and you cannot make the September 15 date, you need not scrap work on the June 15 order. You are merely required to push the A-2 order back to whatever extent necessary to complete the A-1 order at the earliest possible delivery date. In such cases, the firm should communicate immediately with the contracting officer and seek an adjustment in the delivery schedules. Similarly, a contractor working on two government orders, one of which carries a penalty clause for late delivery while the other has a higher preference rating but no penalty clause, should complete the contract with the higher preference rating even at the expense of the contractor carrying the penalty. As soon as he becomes aware of the difficulty, he should communicate with the contracting officer and seek an adjustment despite the fact that penalty clauses for late delivery are not exercised when the delivery has been caused by work on a preference rated contract. (See R·519)

R·540. Preference rating for items not on Critical List or under P or M order.

recommendation: It is the declared policy of the Priorities Division to issue priorities certificates on PD-1 applications for items not on the Critical List and not under a P or M order only in cases of extreme emergency and the issuance of such emergency rating will not be made a general practice. It is, of course, quite possible that a firm may hold a preference rating certificate for chairs, although a priority system for furniture other than office furniture is still far off, if such chairs are needed in a defense project. Similarly, if a special urgency exists, a priority rating for such an item as vitrified china could also be issued. However, past experience would seem to show that, whenever a customer claims to have a preference rating for an item not on the Critical List and not under a known P or M order, it is safest to have the customer show the actual order which he claims is applicable or the original preference rating. Very often firms believe that a preference rating order which they hold for one item covers all incidental items. That is not so. A shipbuilder holding a rating assigned to him under Order P-7 might think that he could get vitrified china for the ship's galley under this order. The order itself, however, covers only materials in the Priorities Critical List. You should therefore check up on each priority order and certificate with which you are served.

Copyright, March 18, 1942, Research Institute.

R·545. Priorities Critical List abolished. The Priorities Critical List of the Army and Navy which listed those military items for which Army and Navy contracting officers could issue preference ratings using the priority forms PD-1, PD-2, PD-3, PD-4 and PD-5 was revoked by Priorities Regulation No. 6 of February 11, 1942. (See ¶ R·6,027-8) The above-mentioned PD forms were removed by Priorities Regulation No. 3 of January 12, 1942.

observation: The Defense Housing Critical List is not affected by Priorities Regulation No. 6 but continues to remain in force.

Allocation–M Orders

R·595. Contract preference ratings distinguished from allocation. In addition to the system of contract or order priorities discussed at ¶s R·553 et seq. there is the allocation or rationing system of administering priorities. It is important to distinguish between these two systems.

The *order or contract system* is aimed at giving right of way in obtaining materials, on production schedules and on assembly lines to individual *military* orders involving items appearing on the Critical List at ¶ R·553. This system operates to assure contractors turning out these military products and their suppliers and subcontractors that required delivery dates will be met. Each contractor having supply difficulties upon application can obtain a Preference Rating Certificate covering items going into the military order in question. They get first call on available supplies of all parts, assemblies and even raw materials going into products appearing on the Critical List. If there are not enough raw materials to go around, an extension of this contract preference rating to the raw material source will insure that the contract will get the amount of raw material needed to fill the particular contract according to the preference rating which has been given to that contract. If one of the contractor's subcontractors is jammed up with orders, orders carrying low preference or no preference ratings will have to be pushed back.

In some cases, the Priorities Division issues *blanket preference ratings* in the form of General Preference Orders to cover the production of a specific industry. This amounts to a system of industrial priorities as distinguished from contract priorities. However, the principle is the same except that instead of an individual order all production for a specified defense need is given a preference rating. Instead of being issued to one firm, the preference rating is issued to all firms producing the item in question. In effect, anything which is required to produce freight cars or ships is allocated to car builders or shipbuilders without the necessity of going through the formality of contract priorities.

The *off-the shelf method* is one of the techniques employed in distributing products subject to priority control. Here, not specific military contracts are made subject to priority but the whole amount of certain products needed by a firm during a specified period is given priority. This enables firms with many small contracts to plan ahead without the red tape of individual applications. (See ¶s R·560 et seq.)

The system of *industry-wide control* or *allocation,* on the other hand, is used to ration to defense and non-defense consumers specific commodities or services where shortage exists and there may not be enough to go around. In effect, the government, acting through the Priorities Division, takes command of the entire output of the product brought under industry-wide control and uses that output to take care of defense producers who require the product for their work. Then, anything left over is rationed out to non-defense users. The technique employed is to give preference ratings A, A-1, . . . B, B-1, etc., similar to the contract

ratings. But these industry-wide ratings apply to allocations to entire industries or to individual producers rather than to contracts. The allocation of products brought under industry-wide control to defense and non-defense users is accomplished by means of General Preference Orders.

R·596. How allocation works. The usual procedure is for notice to be issued to producers of the products to be placed under industry-wide control that no sales are to be made to non-defense customers. A formal order quickly follows directing that the output of the product placed under industry-wide control be sold only in accordance with a schedule of ratings contained in the order. Where there are very few producers in the picture the Priorities Division may order them to submit all order books once a month for the allocation of available output. Where there are only a few customers or users of a product brought under allocation, the order may allocate the output in terms of dollar values or tonnage among those users.

A *combination* of contract priority and industry-wide control through allocation may be *necessary* in certain cases. Take the case of aluminum. In early 1941 it became obvious that there was a shortage of aluminum, and it became clear that there would not be enough aluminum for all defense needs and all civilian needs as well. And because aluminum is a metal vital in defense and widely used in civilian channels, it was decided to place aluminum under industry-wide control. At the same time, aluminum was placed on the Priorities Critical List.

Putting aluminum on the Critical List meant that the Army and Navy Munitions Board and agents of the services could issue Preference Rating Certificates against it. But, since the metal was also by General Preference Order put under industry-wide control, this meant that the allocations made by the Priorities Division *would take precedence* over private needs. In case of any conflict between a Preference Rating Certificate and the industry-wide rating under a General Preference Order, the Preference Rating Certificate, if it is the higher rating, takes precedence.

The allocation of aluminum for defense purposes has been handled by specifically allotting to certain defense needs certain amounts of aluminum. For example, when the scheme was started, officials of the Priorities Division began to instruct aluminum producers, month by month, to ship specific amounts of the metal to specific companies. A little later, a general, over-all formula governing the allocation of aluminum for both defense and non-defense purposes was announced in the form of a General Preference Order. Under this formula, all defense orders were given an automatic rating of A-10, unless higher ratings were assigned for specific orders, and civilian needs were graded in their order of importance, those of lesser importance being allotted lesser amounts of aluminum.

The effect of the automatic A-10 rating was merely to set up a line of demarcation between defense and non-defense. Any order with a rating down to A-10 automatically came ahead of any civilian order with no rating. But the Priorities Division, on the theory that the most important civilian need came ahead of the least important military need, reserved the right to issue higher ratings for civilian needs if necessary.

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·597. Typical allocation formula. Various factors enter into the determination of how and to what extent products brought under industry-wide control will be allocated to various types of consumers. Here is a formula under which aluminum is parcelled out to defense and non-defense consumers.

A—For defense orders, and for items specially designated by the Priorities Division.

B-1—For the reserve pool. (See ¶ R·506)

B-2—For the repair of equipment needed to preserve essential services and to maintain production of goods.

B-3—For products essential to the protection of the public health and safety.

B-4—For standard equipment for which substitutes cannot be used and which are needed to avoid interruption of production and which affect defense production.

B-5—For customers requiring less than a total of 1,000 pounds.

B-6—For customers whose use of the commodity does not exceed 2 pounds per $100 of final sales value.

B-7—For products in which no satisfactory substitute is available.

B-8—For products in which substitutes are available.

See also ¶ R·507.

R·598. Factors considered in civilian allocation. In orders issued by the Office of Price Administration and Civilian Supply allocating products under industry-wide control to civilian consumers the following factors have been announced as governing:

(1) The need to provide adequately for civilian uses essential to the public welfare must be considered.

(2) Also to be considered will be the degree of hardship upon labor or business resulting from the restrictions contained in the preference order.

(3) A third factor in determining how much you may have will be your past rates of consumption.

(4) Another objective will be to achieve an equitable relationship with regard to supplies among all producers.

(5) The availability of substitutes for the particular uses for which you seek the material will affect your ration.

(6) And finally, the policy of the Administrator to refuse to allocate supplies to any person who discriminates against defense orders.

R·599. Inventory control. In order to work effectively, the allocation system must provide for control of inventories. Consequently, General Preference Orders may include provisions which aim at preventing the accumulation of large stocks where they are not actually needed for immediate functioning. This result is achieved by setting up such rules as the following:

1. No contract may be accepted by a producer or processor unless on special authorization by the Division of Priorities.

2. Deliveries of a commodity may not be made if the amount is in excess of that currently required for production after making full use of all available supplies and materials.

3. Users may not be supplied unless they first furnish the supplier with a sworn statement that they have filed with the Division of Priorities a report of their entire inventory and that they have not placed an order for the material with another producer to be used for the same specific purpose.

4. Producers must make monthly reports to the Director of Priorities concerning the orders intended to be filled and must indicate the preference rating assigned to each. If there is not enough available for all the orders, the lower rated orders may still receive their supply if the Director of Priorities deems it advisable to issue supplementary instructions allocating supplies to such lower orders.

5. Customers who use supplies for two types of orders must have their orders separately treated, according to the preference rating applied to each of the types.

6. The amounts of material provided may be determined by a separate schedule according to the preference rating. Thus, in one case, it was provided that persons with a B-2 rating could receive up to 80% of their monthly average of 1940 shipments for corresponding purposes whereas persons with a B-8 rating could receive only 10% of such shipments.

R·600. Cooperation or voluntary priorities. In some cases, the Priorities Division has found it possible to achieve the results it seeks by means of voluntary cooperation from industry. The following is a summary of some of the early actions taken with reference to particular industrial items:

Zinc was made the subject of informal action by the Priorities Division as a result of its importance. Zinc producers, after conferences with officials of the Priorities Division, took effective steps to facilitate the flow of zinc into military brass, and non-defense consumers were urged to cooperate voluntarily by effecting substitutions and economy. In addition, in order to relieve shortages, they agreed to set aside certain percentages of their slab zinc production each month to form a pool from which the Priorities Division could make allocations and thus ease tight situations in defense industries. The quantity to be poured into the pool will vary each month, but for April, 1941, the first month in which the agreement operated, it was agreed that 5% of the total production would be so pooled for allocation.

Potassium chlorate enters into both military and civilian channels. It is used for military flares, for public safety flares and for the production of fireworks. Because of the shutting off of European shipments, a shortage has developed. The producers agreed to supply all military needs, to take care of manufacturers making safety flares, and to make necessary cuts in the quantities flowing to non-defense purposes.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Structural steel shapes were made the subject of a conference between representatives of the Priorities Division and the steel company. Efforts to expedite the flow of structural steel shapes in defense construction were inaugurated and producers undertook to fill defense orders as promptly as possible.

Tungsten is an important defense metal because of its broad use in the manufacture of high-speed cutting tools and military products. It is used in the production of small armor-piercing projectiles and armor plate, in the manufacture of valves for internal combustion engines, for electric-light filaments, and for a number of other civilian purposes. The Minerals and Metals Group of the Priorities Division therefore undertook to study its use and urged that molybdenum tool steels or other alloy combinations be used in its stead wherever possible. Tungsten is listed as a "strategic metal" and has been obtained largely from China, recently over the Burma Road, and its shipment is therefore now uncertain. Only informal priorities have been applied to tungsten. The Priorities Division in conferences with tool steel manufacturers conducted by the Minerals and Metals Group has emphasized the necessity of filling defense orders for tungsten tool steel ahead of non-defense requirements.

R·601. Private priorities maintained by certain industries.

observation: Certain industries have discovered that it is advantageous, in view of the national defense program, to operate a system of priorities themselves. Steel mills invoke their own informal voluntary priorities on material for national defense purposes and, as a self-defense measure, the allocation of supplies among domestic consumers has become more strict, old customers getting preferential treatment, a quota being allotted on the basis of purchase in a previous key period. It is believed that if the volume of domestic orders continues to pour into the mills during the first months of 1941 in the same measure as at the beginning of the year, formal priorities may become an established fact. The tremendous amount of forward buying probably will be the basic reason for such action.

recommendation: Not alone in the steel field but also in the field of heavy chemicals, etc., private priorities are in effect and new customers have difficulties in getting deliveries, whereas old customers receive supplies in proportion to previous purchases. If you see that such private priorities are already or may become effective in your industry or in a supply line which you require, assure yourself now of prompt delivery and put your business relations with your regular and reliable suppliers on as permanent a basis as possible. Personal contact should be cultivated.

R·602. Significance of the various approaches.

observation: The Division of Priorities and the Priorities Committee of the Army and Navy Munitions Board are avoiding the imposition of mandatory prorities wherever possible and would prefer to continue using the methods of cooperation and allocation. However, it should be carefully noted that voluntary priorities can with a single stroke of the pen be made mandatory. One of the main reasons for moving items from the classification of either "allocations"

or "voluntary priorities" to the classification of "compulsory priorities" is the fact that the Priorities Division wishes to relieve manufacturers from the pressure of private customers. Thus, even when manufacturers are willing to cooperate voluntarily, they may become subject to formal or compulsory priorities.

R·603. Hardships created by priorities.

recommendation: If any person believes that undue hardship is being caused by reason of the priorities, he should refer such cases to the Division of Priorities for determination. This does not mean that the Division of Priorities will in all cases seek to relieve individuals from the burdens of priorities. At a matter of fact, it is anticipated that priorities from their very nature must create certain hardships for individual enterprises. However, extraordinary circumstances may warrant action by the Division of Priorities in order to prevent, for example, a cessation of production of particular articles now in process of production. In such cases, persons should address themselves to the Division of Priorities.

R·604. Action in cases of doubt. Where there is doubt as to whether a particular order is intended for defense, the matter is referred to the Division of Priorities, together with all the known facts, for determination.

recommendation: It may frequently occur that manufacturers are uncertain as to whether or not the particular article on which they are working is intended to pass to defense purposes. This will be the case very often where subcontractors and sub-subcontractors are engaged in producing articles that may or may not go to a prime contractor and ultimately to the government as part of its defense program. In such cases, the subcontractor or the sub-subcontractor will very often be able to resolve his doubt by communicating with the prime contractor. If that is not feasible, he should address himself to the Division of Priorities.

R·605. How to get metals subject to allocation.

recommendation: Since many metals have been placed under allocation (see V Tabs) and some of them, like copper, zinc, tungsten and lead, are available in pools of various kinds subject to control by the Division of Priorities or other government agencies, the following procedure should be followed:

(1) Efforts should first be made to obtain materials from the regular supplier of copper, zinc, tungsten or lead.

(2) If you are unsuccessful, then apply to the Priorities Division on Form PD-20 (MM-1) for allocation from the reserve pool. (See ¶ R·944)

In the case of the other metals, those for which no pools exist, the following procedure should be followed:

(1) Approach your regular supplier for materials in the normal course.

(2) If you are unsuccessful, then use Form PD-1 (see ¶s R·927 and R·929).

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·606. Three different types of allocation (M) orders. At the Priorities Division's conference with trade magazines and newspapers on August 26, 1941, Mr. Heckscher, of the Division, in replying to questions from participants, distinguished between three different types of allocation, as follows:

All general preference orders follow a somewhat similar pattern. I will take three different examples, because I think that there are three different classes of approach to the problem of distribution of a material.

I. *First* is the most extreme type of control under a general preference order or M order. Take neoprene, for example. Neoprene, as you undoubtedly all know, is a synthetic rubber which has peculiar properties, which in turn makes that material peculiarly adaptable to certain military needs, and furthermore, is produced by one company.

So in the case of neoprene, where the supply has been obviously inadequate for all demand, and where control is easily had through the medium of the one producer, we have issued an order, the Neoprene Order, which places all shipments of neoprene directly under the control of the Director of Priorities. So that every dollar for the purchase of neoprene has to be approved by the Director of Priorities. That works very well in that kind of a situation. There is no delay. The systematizing of the relationship between the producer and Division of Priorities works well. Therefor, you have a complete control and the best possible assurance that neoprene will go where it is needed most.

II. Now, take for example a *second* order. In the Zinc Order, there isn't a review, order by order, because there are too many producers. Secondly, there are too many orders, and thirdly, there is more than enough zinc for military demands alone. So the Zinc Order is typical of a great many orders. It says, first, that all producers of zinc shall give preference to defense orders, and defense orders are specifically defined Army, Navy, lend-lease, Great Britain, any other order carrying a specific rate of A-10 or higher. Those are defense orders and a producer of zinc must give preference to those orders, if necessary, to permit delivery on the delivery date required. And in order to identify those, there is the artificial provision in the order that such defense order shall receive, automatically, a rating of A-10 if they do not already have a rating of a higher quality.

After provisions for all defense orders that are on the books of the zinc producer, there is, secondly, the provision for what is best described as a "kitty." Every producer of zinc must, each month, set aside a determined quantity of zinc which is used really as an emergency fund. During the month, perhaps, a new order is received by a consumer of zinc that must be filled promptly for the Army. They can't get an order for zinc on the books of a producer because he is filled up. So that fabricator, that consumer comes to the O. P. M. and gets from the Priorities Division an actual allocation zinc out of that kitty. After the kitty has been taken out, and all defense orders are taken care of, then the balance of the zinc produced during any month is free to go as the producers determine, subject only to additional instructions from time to time.

So there is your typical middle ground M order. Defense orders first, kitties for emergencies, the balance for civilian use.

III. Now you may on the other hand, taking the *third* category, have an entirely different problem. You may have a problem that doesn't fit into complete allocation nor does it fit into the semiautomatic control of the second order, but rather a production problem where control is more readily obtainable by production control rather than distribution control.

Rubber, for example, would seem to lend itself much better, because of the huge volume of orders, to a control of the usage by control of production. So another form of M order, general preference order, which is typical in the rubber order, says to producers of rubber not so much how they should distribute the rubber that they process, but more *how much rubber they shall process*. Or to use a typical term, how much rubber they should grind in any one month.

So the Rubber Order says to producers of the rubber, during the coming so many months you shall grind only such and such a per cent of the rubber that in a historical period in the

past you processed. Then the Rubber Order, of course, goes on and controls distribution to the extent of saying defense orders shall come first, but you see the emphasis there is a very different emphasis from what we have heretofore had and the reason for it is because in zinc we want all the zinc produced that can possibly be produced, but in rubber our point of contact with the industry is not with the producers of the rubber, because the producers of the rubber are the trees in the Dutch Indies, the planters in the far Pacific. Actually, we are going to the fabricators.

Our quantity of material is fixed by forces beyond the control of the fabricators. But we can build a stock pile. We can limit usage. We can see that defense is best served by limiting the processing of that material.

So, there, in effect, are the substantive provisions of what I consider the three typical categories of M orders, and I will admit right away, there is probably no single order that you can fit exactly into any one of those three descriptions. But you all recognize, as we have found we had to recognize, that no one material is in its production, in its processing, and in its distribution system, exactly like another.

In every M order, in addition to the substantive provisions that I have just described, there are, of course, a number of formal provisions—a requirement to keep records for instance. So many people think that this is just a good job for the paper industry, a good job for the ink industry, and a good job for the storage warehouses in Washington.

But it really isn't, because, you see, we still have to do these things legally. We still have to be sure, as reasonably sure as we can, that when we do these things it is essentially, under the language of the Act, to give preference to deliveries of material under Army and Navy orders, and if a producer under one of these orders did not properly follow the provisions that we have laid down, if there were gross abuse, we would have available for inspection his records, to determine that he was not fulfilling the requirements.

So it isn't just to collect records and data for the sake of history. It is a practical problem that we have to serve, when we do require the maintenance of records.

There is also the provision that *in the case of hardship,* undue hardship or unusual circumstances, appeal can be made for special treatment to the Director of Priorities. Let us say, for instance, that in the case of rubber, where the amount that a fabricator could grind was determined by a historical experience, it might be that one rubber fabricator, during that historical period, had a struck plant, or a fire had destroyed some of his facilities.

It would be obviously unfair, therefore, to have him fixed by the same percentage as others. So there is the opportunity, in any such case of extreme hardship, to come to Washington, or to appeal to Washington by letter, and make clear your case and get a preference treatment that is fully justified by the particular and peculiar circumstances in the case.

I don't believe that there are any other provisions of the general preference order that I need to touch on now. In addition to the M orders, the general preference orders, there are also E orders which are also general preference orders, and the only difference between an M order and an E order is that an E order controls the distribution of equipment, E for equipment, rather than M for materials. In other respects, the theory, the philosophy of the two orders is the same. They are full blood brothers.

Mr. McCrady. There are certain M orders which place at the disposal of manufacturers the material needed, provided their needs are under a certain quantity, is that right?

Mr. Heckscher. The more recent M orders have released from the restriction of those orders *small quantities of material.* In other words, if somebody needs a few pounds of copper wire, to attempt to bring that demand within the broad requirements of a defense order, its use, and so forth, would be hopeless. So more recent orders recognizing that problem release from the effects of the order small commercial quantities of material.

Question. As, for instance, 10 tons a month in rubber or something like that?

Mr. Heckscher. I don't want to limit myself to materials or quantities, but using that as a hypothetical illustration, that would be exactly that.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Question. Would there then be any procedure on the part of the manufacturer to obtain that material?

Mr. Heckscher. He would go to a rubber manufacturer or fabricator or whatever you call him and say that is within the exempted amount, 10 tons, so you sell it to me, if you will, without regard to whether it is a defense order, what I am going to use it for, or what.

Question. Neither the manufacturer nor supplier would have any liability if the statement were true?

Mr. Heckscher. That is correct. It is theoretically possible that that fellow would go to 10 different manufacturers and get a hundred tons.

R·607. Negotiations preceding the issuance of an allocation (M) order. At the Priorities Division's conference with trade magazines and newspapers on August 26, 1941, Mr. John Martin, of the Division, made the following statement with regard to negotiations preceding the issuance of an allocation or M order:

Now, let's consider a steel problem. You have a steel section. It makes up its mind whether there should be a form of allocation or priorities in steel. The steel section does that. Now, then, to carry out that decision, it is necessary that the priority device be used.

The legal powers all rest in the Director of Priorities, so it is necessary that the steel section draw up its detailed plan of how it wants the allocation or the priority carried out in steel, present that plan to the Director of Priorities who, if he approves, issues it is a priority order under his powers as Director of Priorities. That is announced to the world.

Then there is administration. Every one of these orders requires a terrific amount of administration. The handling of the pieces of paper, and the making up the mind each month to whom you should allocate, that job is performed by the steel section. They provide the manpower and make the decisions under the general framework as approved by the Director of Priorities. In other words, on all general priority matters as affecting a particular raw material you have two parties involved—the commodity section, which has all the problems of that raw material in its hand, and the Director of Priorities, who has the legal power to make the decision.

The two are connected by means of what are called "priority specialists." That is a form of liaison, a system of liaison between the Director of Priorities and the commodity section in the form of one individual who is an employee of the Priorities Division sitting and physically living with each of the commodity sections. Those priorities specialists have the job of seeing that the decisions as made through the several commodity sections are more or less uniform—that they use essentially the same kind of devices; in other words, to maintain a reasonable degree of uniformity throughout the several commodity sections; and secondly—and this point can't be emphasized too much—to be sure that the commodity sections are on top of their job.

To assure that there is a rounded picture, you have the "industry committees" which you have been hearing a lot about. In connection with each commodity section you have two committees. First, you have the Government committee, which is made up of the representatives of the Army and Navy and all the various interested agencies.

At the same time, you have an industry committee which is made up of experts from the industry, and the two committees can meet at the same time. The committees don't make the decisions. The *section* makes the decision. So that gives you your commodity section, and it gives you the two committees which advise the commodity section as to how it should act, but the responsibility is always in the head of the section. It is single responsibility; it is not committee responsibility.

That in general, then, is your organization for carrying out the different devices which I mentioned to you—the control from the top down through preference ratings, the control through the bottom up through allocation of raw materials, all carried out with a substantive responsibility in the commodity section and the actual issuance responsibility in the Director of Priorities, with administration in the hands of the commodity section that made the substantive decision as to whether it should be carried out or not.

R·610. Typical clauses in M or E Orders. The following form is made up of standard clauses appearing in M or E Orders. A specific order may contain one or more of these typical clauses:

General Preference Order M or E . . .

I

Whereas, it appears that the fulfillment of requirements for the defense of the United States will result in a shortage in the supply of ..... for the combined needs of defense, private account and export, and it is necessary in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution of .....

II

Applicability of Priorities Regulation No. 1. This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

III

Priorities Regulation No. 1. This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

IV

Regulations Incorporated. Except as modified by the terms of this Order and as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this Order with the same effect as if specifically set forth herein.

V

Applicability of Order. The prohibitions and restrictions contained in this Order shall apply to the use of material in all articles hereafter manufactured irrespective of whether such articles are manufactured pursuant to a contract made prior or subsequent to the effective date hereof, or pursuant to a contract supported by a preference rating. Insofar as any other Order of the Director of Priorities may have the effect of limiting or curtailing to a greater extent than herein provided the use of in the production of any article, the limitations of such other Order shall be observed.

VI

Restrictions on Deliveries.

(1) *Allocations.* Hereafter no person shall make or accept delivery of ..... unless specifically authorized by the Director of Priorities. The Director will from time to time allocate the supply of ..... and specifically direct the manner and quantities in which deliveries to particular persons or for particular uses shall be made or withheld. The Director may also, in his discretion, require any person seeking to place a purchase order for ..... to place the same with one or more particular suppliers. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct or indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian needs.

VII

(2) *Reports.* Unless otherwise ordered by the Director of Priorities, no person shall be entitled to receive an allocation of ..... unless, not later than the ..... day of the month next preceding the month in which delivery is desired, he shall have filed with the Office of Production Management and with any supplier with whom he may have placed a purchase order for ....., a report in the manner and form prescribed from time to time by the ..... Branch of the Office of Production Management; provided, however, that, subject to all the other provisions, restrictions and limitations of this Order and until further order by the Director of Priorities, any person may receive deliveries during any calendar month up to but not exceeding an aggregate of ..... without filing the reports required by this paragraph.

VIII

Violations or False Statements. Any person who violates this Order, or who wilfully falsifies any records which he is required to keep by the terms of this Order, or by the Director of Priorities, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management may be deprived of priorities assistance or may be prohibited by the Director of Priorities from obtaining any further deliveries of materials subject to allocation. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35A of the Criminal Code (18 U.S.C. 80).

IX

Appeal. Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him may apply for relief to the Office of Production Management by telegram or letter setting forth the pertinent facts and the reason such person considers that he is entitled to relief.

X

Communications to Office of Production Management. Reports to be filed, appeals, and other communications concerning this Order, should be addressed to the "Office of Production Management, Washington, D. C. Ref: M or E..."

XI

Application for Authorization. Any Person desiring to obtain authorization with respect to a delivery or deliveries to him of specific quantities of ..... for processing or melting, should make application on Form PD-... to the Office of Production Management, Ref: M or E...

XII

Basis of Authorization. Authorizations to receive deliveries of ..... will be made by the Director of Priorities to assure the satisfaction of all defense requirements. After the satisfaction of all such defense requirements, deliveries of any residual supply will be authorized by the Director of Priorities for essential and other civilian requirements. In giving such authorizations, the Director of Priorities may take into consideration possible dislocation of labor and resulting unemployment and the necessity of keeping a plant in operation so that it may be able to fill future Defense Orders.

XIII

Prohibitions against sales or deliveries. No person shall hereafter sell or deliver ..... to any person if he knows, or has reason to believe, such material is to be used in violation of the terms of this Order.

XIV

Limitation of inventories. No manufacturer shall receive delivery of ..... or produots thereof, in the form of raw materials, semi-processed materials, finished parts or sub-assemblies, nor shall he put into process any ..... in the form of raw material, in quantities which in either case shall result in an inventory of such raw, semi-processed or finished material in excess of a minimum practicable working inventory, taking into consideration, the limitations placed upon the production of ..... products by this Order.

XV

Reports. Reports shall be made at such times, on such forms and with respect to such matters as shall be prescribed by the ..... of the Office of Production Management.

XVI

Notification of customers. Producers shall, as soon as practicable, notify each of their regular customers of the requirements of this Order, but the failure to give such notice shall not excuse any person from the obligation of complying with the terms hereof.

XVII

Intra-company transactions. The prohibitions or restrictions contained in this Order with respect to deliveries shall, in the absence of a contrary direction, apply not only to

Copyright, April 10, 1942, Research Institute.

deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division or section of a single enterprise to another branch, division or section of the same or any other enterprise owned or controlled by the same person.

XVIII

Use of Material. Any Person who obtains delivery of ..... in accordance with the terms of this Order shall use such ....., or an equivalent amount thereof, only for the purposes for which acceptance of the delivery was authorized.

XIX

Specific Directions. The Director of Priorities may from time to time issue specific directions to any person as to the source, destination, or amount of ..... to be delivered or acquired by such person.

XX

General Exception. The prohibitions and restrictions contained in paragraphs ..., ... and ... shall not apply to the use of ..... in the manufacture of any item which is being produced

(1) for delivery under a specific contract or subcontract for the Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development or for any foreign country pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act) if in any such case the use of ..... to the extent employed is required by the specifications of the prime contract; or

(2) to comply with Underwriters Regulations or Safety Regulations issued under Government authority, provided that pertinent provisions of such Regulations were, in either case, in effect both on ....., and on the date of such use, and specifically and exclusively require the use of ..... to the extent employed.

XXI

Specific Authorization. Where this Order calls for specific authorization by the Director of Priorities, an allocation or other written authorization to carry out the particular action proposed is required; and Preference Rating Orders or Certificates do not constitute such specific authorization.

XXII

Restrictions on Deliveries.

Date.....

.....
(Name of Deliveree)

By .....
(Duly Authorized Official)

If a delivery is for one of the purposes specified in subparagraph ... hereof, it will be sufficient to certify to that fact alone.

(7) The restrictions and requirements hereinabove set forth with respect to the use and Delivery of ..... and ..... shall not apply to delivery to, or for the account of:

(i) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Committee for Aeronautics, the Office of Scientific Research and Development;

(ii) The government of any of the following countries: The United Kingdom, Canada and other Dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, The Kingdom of the Netherlands, Norway, Poland, Russia and Yugoslavia; and

(iii) the government of any country, including those in the Western Hemisphere, pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act).

XXIII

Prohibitions Against Sales or Deliveries. No person shall sell or deliver any tin or tin bearing material or products thereof in the form of raw materials, semi-processed materials, finished parts or sub-assemblies to any person if he knows or has reason to believe such material or any product thereof is to be used in violation of the terms of this Order.

XXIV

Violations or False Statements. Any person who wilfully violates this Order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order may be prohibited from receiving further deliveries of materials subject to allocation, and such further action may be taken as is deemed appropriate, including the making of a recommendation for prosecution under Section 35(A) of the Criminal Code (18 U.S.C. 80).

XXV

Appeals. Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of ..... conserved, or that compliance with this Order would disrupt or impair a program of conversion from non-defense to defense work, may appeal to the Director of Industry Operations on Form PD-..... The Director of Industry Operations may thereupon take such action as he deems appropriate.

XXVI

Communications to War Production Board. All reports required to be filed hereunder, and all communications concerning this Order, shall, unless otherwise directed, be addressed to: War Production Board, Washington, D. C., Ref: M-.....

Civilian Allocation Programs

R·620. Where civilian supply problems are handled. The Civilian Supply Division of the Office of Production Management is in charge of the formulation of policy in relation to the distribution of material to civilian industry. It holds conferences with representatives of consumers' durable goods industries which are faced with severe curtailment of essential raw materials. It gathers information and works out methods of making civilian allocations consonant with the defense program. Thus, it has been holding meetings with users of scarce raw materials, such as automobiles, washing machines, oil burners, steel furniture and similar consumer goods.

It is the policy of the Civilian Supply Division, once the amounts of scarce materials available for civilian use are ascertained, to allocate sufficient amounts if possible to take care of all essential public services such as transportation, power and health. These uses would include such industries as railroads, electric power, water supply, gas, oil pipelines and such other essential needs as food, clothing, and health and safety requirements generally. Action has thus been taken, for example, for the allocation of materials so far as possible for manufacture of repair parts for public utilities, trucks, automobiles, agricultural machinery and other necessary equipment. Scarce materials are also to be allocated among other civilian industries in the order of need after consideration has been given to such matters as dislocation of labor and effects on manufacturing efficiency. Civilian supply problems have been treated in detail under the appropriate industry classification in the V tabs.

R·621. Civilian Allocation Programs are not priority orders.

observation: A Civilian Allocation Program is in itself an authorization by means of which civilian supplies are actually allocated and by means of which firms may obtain preference. The Civilian Allocation Program merely sets forth a policy which the Division of Priorities of OPM will carry out. Business men are not eligible for priority ratings until the Division of Priorities acts. This was demonstrated in the case of the Civilian Allocation Program on freight car builders (see ¶s Vk·103 et seq.) where several weeks elapsed between the issuance of the Civilian Allocation Program and the formal granting of ratings by the Division of Priorities.

Suspension Orders—S Orders

R·635. Purpose of Suspension Orders. In order to punish violators of the regulations and priority orders, the Division of Priorities may issue a Suspension (S) Order. The action is intended to prevent the offender from committing further violations and may include provisions suspending his operations either in handling the commodity on which he has violated regulations or other commodities subject to priorities. The Suspension Order is the weapon of the Division of Priorities by means of which it closes off access to needed materials and thus makes further business operations impossible for those who have failed to comply with its decisions.

R·636. Provisions of the Suspension Order. The Suspension Order, issued on October 15, 1941 against the Central Pattern and Foundry Company of Chicago for violations of the General Preference Orders M-1, M-1-a, and M-1-c, is the first result produced by a large-scale investigation of approximately 1800 aluminum foundries throughout the country. Its significance lies in the fact that it is the first punitive action taken by the priority authorities and, according to the official announcement, will be followed by similar measures whenever violations of priority regulations are detected. This case may, therefore, be taken as an indication of what might be expected in the future. The investigation is, at present, conducted by the field forces of the Wage-and-Hour Division, which were put through a special two-weeks' training course, and it is contemplated to use personnel of the Federal Trade Commission, the Census Bureau, and the Procurement Division of the Treasury for the same purpose. We learn that the men selected for these investigations receive detailed instructions on the meaning of the various priority regulations, on how to examine books, how to detect falsified entries, what questions to ask, and generally on how to prepare a case which will stand up in any proceedings that may follow. With its steadily growing crew of investigators the Priorities Division contemplates starting similar investigations in other metal and material industries within a few days.

The chief charge brought against the Central Pattern and Foundry Company was that in its reports filed with the Division of Priorities it misrepresented its scheduled shipments of aluminum for July, 1941 and, in violation of the directions issued by the Director of Priorities, made shipments of aluminum castings in the amount of 41,449 pounds for non-essential uses during the month of July. Other violations of priority orders by the company were failure to obtain from its customers sworn statements concerning their inventories and orders placed by them with other producers and accepting for melting and processing deliveries of aluminum scrap not specifically authorized by the Director of Priorities and bearing no preference rating. The suspension order emphasized that the company committed these violations "in full knowledge on its part of the requirements of these orders."

The suspension order prohibits all aluminum operations of the company until March 31, 1942 with the sole exception that the company may use aluminum

inventories to complete defense orders on its books as of October 1, 1941. During the period the order is in effect the company may neither accept deliveries of aluminum from any sources nor may it accept any purchase orders for delivery of aluminum. At the same time, the order provides that no person may deliver any aluminum to the company nor accept deliveries of aluminum from the company in violation of the terms of the suspension order.

In connection with the suspension order it was also disclosed that the companies who shipped aluminum scrap or received aluminum castings from the Central Pattern and Foundry Company of Chicago in violation of existing priority regulations are being investigated and may be subjected to punitive action.

observation: The violations by the Central Pattern and Foundry Company of Chicago have resulted, in the words of the suspension order, "in the diversion of aluminum from primary defense needs into nonessential uses and have thus impeded the defense of the United States." In view of this, the action taken by the Priorities Division in this instance may be viewed as a yardstick for what to expect in cases of flagrant violations of priority regulations. Mr. Nelson's council stressed, however, that any false report to any government agency in connection with a legitimate act of that agency is subject to the same penalties as perjury. Perjury, as a felony, may lead to indictment, prosecution, fine, and/or imprisonment. But it seems that for the time being at least the Priorities Division does not contemplate to make use of this possibility and will attempt to enforce its regulations through the medium of suspension orders. It is indicated that additional legislation may be asked should the present punitive powers fail to achieve the results desired.

observation: Representatives of the violating company in this instance were invited to offer arguments in their defense at a meeting with the compliance and field section. This indicates that any company charged with violations of priority regulations will be afforded an opportunity to clear itself by presenting additional evidence before punishment is ordered.

recommendation: Keep your bookkeeping inventory and sales records clear and up to date. It will save you much time and trouble in case of an investigation by the field forces of OPM. Prepare proof of the legality of all your shipments and receipts of priority-governed material now. Once an investigation has started, it may be costly and difficult if not impossible for you to gather the necessary proof.

recommendation: Make sure that all priority ratings and sworn statements of your customers are properly received and filed. If you can prove your good faith by presenting sworn customer statements on which you based your deliveries to them, you will avoid punishment even if the material shipped by you ultimately was diverted by your customers to nonessential uses.

Copyright, November 6, 1941, The Research Institute of America, Inc.

Blanket Ratings—P Orders

R·640. What are blanket ratings. The blanket preference rating system is one of the most efficient priority methods. (See ¶ R·510) Blanket ratings have been issued to producers of key defense items like airplane bombers, basic "indirect defense" projects like freight cars, and essential civilian needs like hospital supplies. When other priority methods are too slow for a particularly important industry, the Division of Priorities may issue to a group of producers a General Preference Order bearing the letter P and a serial number, as for instance P-1, P-22, etc. Listed in the order are the materials covered by the blanket rating, as well as the particular rating (A-1-a, A-1-b, B-1, etc.) assigned. Whenever one of the selected producers encounters difficulty in securing a listed item promptly, he has only to show his supplier his blanket preference order, and his contract for supplies must be fitted into the supplier's schedule in accordance with the blanket rating granted under the General Preference Order. For this purpose a producer is ordinarily given many copies of the blanket preference order, or he may use photostats of the original order. The blanket preference order is issued to subcontractors as well as prime contractors. The blanket preference rating system is more efficient than the individual preference rating certificate system because the blanket ratings are issued to a group of producers in an industry and last a specified period of time, while the preference rating certificates generally accompany *single* orders and are issued to single producers, on the basis of separate applications for each. The blanket system covers a list of materials mentioned in the order while the Preference Rating Certificate is applicable only to a specific item. To use the blanket rating a producer has only to show his "P" order (which was sent him by the Priorities Division) to his supplier, whereas to extend a Preference Rating Certificate the producer has to get a government contracting officer to sign a special form. The blanket rating contrasts even more sharply with the industry-wide allocation system. A blanket preference rating order is directed to a producer and enables him to secure his required supplies quickly. An allocation order is directed to the entire industry producing a basic defense material (copper, steel, etc.) and determines how the material is to be distributed among competing buyers.

It is typical of the blanket preference rating order that the producer receiving such a rating is required to sign and accept it before he can use it. These orders usually contain record-keeping and report-making requirements, and, in addition, a clause explaining the penalties to be meted out for disregarding the order's terms. (See also ¶s R·530 and R·585)

Cross reference:

Blanket ratings are reported as issued in the V tabs for the industry in which they are granted.

R·641. How manufacturers' associations can get blanket preference ratings (P-Orders).

recommendation: If a manufacturer or a group of manufacturers, banded together through a trade association or through some less formal coalition, are

of importance to the defense program and cannot get materials they should contact the Commodities Section under which they fall. They should outline in detail to the Commodities Section how important they are to the defense program, and they should be explicit in outlining the difficulties which they are experiencing in getting materials to manufacture their products. Then the Commodities Section, in collaboration with the Priorities Division, would examine the situation to determine if a blanket rating should be issued to one or more manufacturers. All of this would be done after correspondence and perhaps conferences with manufacturers in the field. If it is then deemed desirable to issue a blanket preference rating, a P-order would be issued to such manufacturers as the Commodities Section and Priorities Division consider necessary.

R·642. What to do if you are not covered by an existing blanket rating (P-Order).

recommendation: If a particular manufacturer is overlooked in the assignment of a blanket rating, he should then write to the Commodities Section under which he comes (for instance, for machine tools he would write to Tools and Equipment Section) and ask that he be assigned the rating too. In such a letter, he should state what his position in the industry is, what his product is, what his facilities are, how much defense business he is handling, the probable effect of not getting a rating, how many people he employs, his total volume of business, and all details which would show his importance to defense production.

observation: While the tendency toward the use of blanket ratings is growing, the Priorities Division is not encouraging requests for such ratings. So far they have been limited to industries that bear the most intimate relationship to defense production. No formal procedure has been devised nor have any plans been prepared by which industries or groups of firms may make application. As a general rule, the granting of a blanket rating is the result of action taken by contracting officers and representatives of the Army and Navy Munitions Board who are in a position to determine when such ratings are necessary.

Blanket ratings will not be granted merely to protect firms from the inconvenience of making individual applications for preference rating certificates or to grant a feeling of security to those who fear that future supplies may be cut off or their activities disturbed.

recommendation: If you are convinced that your production will be fundamentally disturbed in the absence of a blanket rating, that individual applications for preference rating certificates will not protect your production or that the allocation system is not sufficient to prevent grave consequences, communicate with your contracting officer. Where goods are on the Priorities Critical List, the contracting officer can do much to see to it that a blanket rating is granted. You may be sure that if he cannot be convinced of its necessity, the priorities authorities in Washington will not grant a blanket rating. In the event that the goods you produce are not on the Priorities Critical List or you are in a position where you have no contact with a contracting officer, but you are convinced that you can make a very strong

Copyright, October 17, 1941, The Research Institute of America, Inc.

case for the granting of a blanket rating, you can address yourself to the Division of Priorities. Here a word of caution is necessary. The Division of Priorities is anxious to avoid such requests and will act favorably *only in extreme circumstances.*

R·643. Explanation of blanket preference rating system (P-Orders). At the Priorities Division's conference with trade magazines and newspapers on August 26, 1941, Mr. Heckscher, of the Division, discussed the blanket preference rating system, as follows:

Let us turn from the general preference order to the preference rating order. That is, the other phase of controlling the distribution of a material or a piece of equipment like machine tools is an order that is directed to a specific company itself. It is to grant to that company or group of companies a rating. So you see it has nothing to do with *distribution* of material. Instead, it gives to a company a rating to *procure* material. And all others, the defense supply rating order, the project order, the P-3 order, that went for the aircraft companies, all of the P orders which stand for preference rating orders, are P orders of one degree of relationship or another.

Now when we first started out in this complicated problem, we dealt only with preference or priority certificates. Then as the load grew, company after company found that they were employing as many stenographers to make out the PD-1 as they were to do the company's business. So there was born what is commonly called the blanket order, which is the preference rating order. Its primary purpose is merely to do away with spot certificate for spot orders and, instead, to blanket in a product that is entitled to a rating.

When originally we started out with those orders, we didn't have what is commonly called the automatic re-extension feature. Thus the P-1 and the P-2 that went to crane builders and machine tool builders only, was a blanket order to the maker of a machine tool to rate his deliveries of material to make machine tools from his first supplier.

But we found, very shortly, that didn't get them anywhere because the supplier in turn was having trouble and if the supplier had to come in to use the PD-1 then the paper work was as great and the delay as great. So in the P-3 and P-4 orders, which are the air frame and air engine orders, was born the automatic re-extension feature.

That in effect meant just exactly what Mr. Puckett said it did. It was a check given to the company, to be endorsed by the company to go down to his supplier; and if that supplier needed help to get his material to make his deliveries to the prime contractor, then he in turn could pass it down to the subsupplier and the subsupplier to the sub-subsupplier all the way down the line.

Now, if you stop and think a minute you will see there, I think clearly, the, let me call it, "philosophical fruition" of the whole theory of the priorities system. Go back a minute. We had the M orders. It was the control of a raw material at the source. We have the PD certificates and the blanket P orders at the top granting a rating to a company with the automatic re-extension feature that permitted that rating to flow down through the distribution system of our economy and eventually fit into the control of distribution at the bottom.

All the chain is complete from the top conferring a benefit, conferring a favor of a rating, to the bottom where the control is imposed.

Now, these P orders are blanket orders, in the common sense, and they must be subject to controls.

So it is natural that other controls had to be devised. Those controls vary from one P order to the next, depending on the particular circumstances. Thus the P-3 and P-4 orders going to aircraft are subject to countersigning by an Army or Navy officer in the plant. That was easy there, because it went to makers of military planes—Douglas, Lockheed, and the rest. There was always an Army or a Navy man available.

In addition, just as the PD-3, the Army and Navy preference rating certificate, is limited to the critical list, so also the P blanket orders have to be limited in some manner. So as Mr. Puckett has told you in project orders, they are limited ordinarily to the critical list or to a subcritical list and the same is true of the other P orders.

They may be limited to the particular critical list that is formulated for that particular problem. They may be limited to the Army and Navy critical list. It doesn't matter. There is a review of the matter, a review of the problem, a consideration of the necessities and an attempt to cut off any unnecessary use of ratings which would further disturb the economics of the country.

It doesn't always work. It seems to be unavoidable that there are some, shall we say "overambitious" purchasing agents; and I tell you this again to get your sympathy. When you ask why we control these orders so closely, let me tell you that one holder of an aircraft air frame order, we discovered the other day, not intentionally doing wrong, had rated a 90-cent order for pipestem cleaners.

Now I don't see how pipestem cleaners go into the manufacture of a bomber. Another one of the aircraft companies, and I am not picking them out particularly, rated an order for the delivery of 24 books by that well-known writer, Dale Carnegie, on how to win friends and influence people. Well, maybe they needed it in their public relations, but I am sure they don't put one copy in each of the bombers they produce.

So you see, we do have a problem. We have a very real problem of control and I do appeal for your sympathy and for your help in getting the sympathy of others when somebody can't understand why the blankety-blank Priorities Division is so chary of their blanket orders, or is so careful to put along those orders so many restrictions that, in the opinion of the industrialists, often they say, we might as well have no order at all. There has to be a common meeting ground and we are getting there fast.

Now, there is one other approach on the P order, the preference rating order problem, that I think you would be interested in. We recognize that where a company is producing only military aircraft, that they can get an open P order, as I would call it; that is, anything that really goes into the manufacture of those air frames that is on the critical list and should be rated.

But there are many companies that aren't 100 per cent in defense; 60, 80, 20, 40, I don't care what.

Human nature being what it is, we found it advisable not to put too great a temptation before the purchasing agent. So when the Company isn't 100 per cent in defense, isn't 99 44/100 per cent pure, we are going to give them, and are now giving them instead of a straight P order what I can best and most graphically describe as a *"quota P order."* Remember, that is a term, that is just a description. The quota P order is closely analogous to the Defense Supplies Rating Order, but it is not for inventory.

We say for a company, let us say a radio parts company, 60 per cent of whose product is going under defense orders but 40 per cent of whose product is not, we will give you a P order, but instead of just passing out this blank check to you we think it advisable to give you a quota of material; so that kind of a manufacturer comes to us, forgetting the Defense Supplies Rating Plan because that is an inventory order, and says 60 per cent of my business is defense and for that 60 per cent of my business I am going to need 1,000 pounds of copper, 100 tons of steel, 500 pounds of lead, and so it goes. We then confer on him under the quota P order a rating for that quantity of material.

It is just an attempt to limit the application of the rating conferred by the order because we are all coming to realize, perhaps belatedly, that the "mortgage" that has been demanded by the defense effort on American industry is far far greater than anybody imagined a year ago, and we have got to be very chary as to how we extend the lien of that mortgage. We have got to be terribly careful that as little of these strategic and critical materials get outside the charmed circle of the defense effort. Otherwise, we are going to be too short all the way around.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Now, you see, with that description of the preference-rating order, I think that all of these other orders will fit into your understanding of the system. The Defense Supplies Rating Order is a rating order. It is a P order. Its purpose is to permit a limited acquisition of inventory. But it is still a P order to a specific company giving a rating to procure material.

The project order, the P-19, P-19a, and so forth, are equally P orders, an order to a specific company for specific materials to do a specific job—build a new plant, make an expansion, and so forth.

Mr. Pausner (Linen Supply News). There are some 800 organizations doing laundry work for hospitals, and so on, that come within indirect defense, sanitation. Now, they need certain products like chlorine for bleaching other things. Does each one of those organizations apply for its priorities or should it be funneled through the supply company of whom there may be only 10 or 15 who should get their priority orders?

Mr. Heckscher. At the present moment each company has to make its own application, but there is in the works—I think it is no secret whatsoever—a blanket order called the Health Supplies Rating Plan (now issued) which will permit those who need various health supplies to rate their orders—hospitals and organizations of that type.

R·644. Typical clauses in P-Orders. The following form is made up of standard clauses appearing in P-Orders. A specific order may contain one or more of these typical clauses:

Preference Rating Order No. P-. . .

To: ..... Name of Producer.....Address.....
Serial No..... Date.....

I

Preference Rating Order. For the purpose of facilitating the acquisition of Material entering into the production or packaging of ..... in the public interest and to promote the national defense, preference ratings are hereby assigned to deliveries to the above-named Producer and to deliveries to his Suppliers, upon the following terms:

II

Definitions.

(1) "Producer" means the specific person to whom this Order is addressed above.

(2) "Supplier" means any person with whom a contract or purchase order has been placed for delivery of Material to the Producer or to another Supplier.

(3) "Material" means any commodity, equipment, accessory, part, assembly or product of any kind.

III

Assignment of Preference Rating. Preference rating ..... is hereby assigned:

(1) To deliveries to the Producer by his Suppliers of those quantities and kinds of Material which may be specifically authorized for rating by the Director of Priorities from time to time on Form PD-.....

(2) To deliveries to any Supplier, of Material which will ultimately be delivered by him or another Supplier to the Producer under the rating assigned above, or will be packaged or will be physically incorporated into Material which will be so delivered; or which will be used, within the limitations of paragraph ..... hereof, to replace in such Supplier's inventory Material so delivered.

IV

Persons Entitled to Apply Preference Rating. The preference rating hereby assigned, in the manner and to the extent hereby authorized may be applied by

(1) the Producer:

(2) any Supplier who has been furnished with a copy of this Order as provided in paragraph .....

V

Restrictions on Use of Rating.

(1) *Restrictions on Producer.* The Producer may apply the rating only to those quantities and kinds of Material specifically authorized for such rating by the Director of Priorities on the copy of Form PD-..... returned to the Producer.

(2) *Restrictions on Supplier.*

(i) No Supplier may apply the rating to obtain Material in greater quantities or on earlier dates than required to enable him to make a rated delivery on schedule or to replace in his inventory Material so delivered. If he has an inventory of such Material, he shall not be deemed to require such Material if he can make his rated delivery and retain a practicable working minimum inventory.

(ii) A Supplier who supplies Material which has been manufactured, processed, assembled or otherwise physically changed by him, may not apply the rating to restore his inventory to a practicable working minimum unless he applies the rating before completion by him of the rated delivery which reduces his inventory below such minimum.

(iii) A Supplier who deals in Material without manufacturing, processing, assembling or otherwise physically changing the same, may delay applying ratings to purchase orders to be placed by him until he has accumulated such purchase orders to the extent necessary to place a purchase order for the minimum quantity procurable on his customary terms, provided that he shall not apply any rating more than three months after it is applied to the related delivery to be made by him.

VI

Application of Preference Rating.

(1) The Producer or any Supplier, in order to apply a preference rating assigned hereunder to deliveries to him, must:

(i) accept Preference Rating Order No.. P..... by executing the form of acceptance attached at the end hereof, detaching the same, and filing it with the Office of Production Management. No additional acceptance need be filed for any subsequent application of the Order regardless of the Serial Number under which it is issued;

(ii) furnish one copy of Preference Rating Order No. P..... together with an unsigned form of acceptance thereof, to each of his Suppliers with whom he places a contract or purchase order for Material to the delivery of which he elects to apply a preference rating assigned hereunder. After one such copy, regardless of Serial Number, has been furnished to a particular Supplier no additional copy need be furnished to that Supplier to cover any subsequent application of a preference rating assigned hereunder; and

(iii) endorse on each purchase order or contract which is covered by a rating assigned hereunder, a statement in the following form, manually signed by a duly authorized official, specifying the rating assigned and the appropriate Serial Number or Numbers:

"Preference Rating ..... under Preference Rating Order No. P....., Serial No(s). with the terms of which Order the undersigned is familiar.

.....
(Name of Producer or Supplier)

By .....,"
(Duly Authorized Official)

Such endorsement shall constitute a representation to the Office of Production Management and the Supplier to whom the purchase order or contract is delivered that such purchase order or contract is duly rated in accordance herewith. Such Supplier to whom the purchase order or contract is delivered shall be entitled to rely on such representation, unless he has reason to believe it to be false. Any such purchase order or contract shall be restricted to Material the delivery of which is rated in accordance herewith.

(2) A Supplier who has received from two or more Producers or Suppliers endorsed purchase orders or contracts for Material to the delivery of which the same rating has been applied in accordance with this Order, may (within the limitations of paragraph (d) hereof) include in a single purchase order or contract any or all of the Material which he in turn requires to make his rated deliveries, but must specify in the endorsement on such single purchase order or contract all of the Serial Numbers contained in the purchase orders or contracts which have been so received by him and to fill which he is applying the preference rating.

VII

Restrictions on Application of Rating. The Preference rating hereby assigned shall not be applied,

(1) unless the Material to be delivered cannot be secured when required without such rating, provided, that the person applying said rating shall not be deemed to require such Material if he can make delivery without reducing his inventory of such Material below a practicable working minimum;

(2) to accumulate inventories or to obtain deliveries greater in quantity, or on dates earlier than required for the delivery on schedule of parts ..... or of Material which will be physically incorporated in such parts;

(3) to obtain deliveries of Material which will not be physically incorporated in such parts.

(4) In addition, the preference rating hereby assigned shall not be applied by the producer to obtain in any one month a quantity of material (measured in terms of aggregate tonnage of all materials of all kinds) which amounts to more than the quantity of material (measured in the same manner) consumed by him in the production of the average monthly quantity of parts which were delivered by him in the 12 months ending .....

VIII

Restriction on Use of Material acquired Pursuant to This Order. Except pursuant to a specific authorization of the Office of Production Management, no Producer or Supplier who acquired Material by the application of the preference rating hereby assigned shall use such Material other than for the purpose of manufacturing parts ..... or for the manufacture or supply of Material which will be physically incorporated into such parts.

IX

Records. The Producer, and each Supplier who applies the preference rating assigned hereunder, shall keep and preserve for a period of at least two years accurate and complete records and information concerning purchases (including orders and deliveries), inventories and stocks on hand, and sales of Material covered by each application of such rating, for inspection by representatives of the Office of Production Management. In addition, the Producer and each Supplier placing any purchase order or contract rated hereunder, and any Supplier with whom such a purchase order or contract is placed, shall each retain, for a period of two years, for such inspection, endorsed copies of all such purchase orders or contracts segregated from all other purchase orders or contracts.

X

Reports. The Producer and each such Supplier shall file such reports as may be required from time to time by the ..... of the Office of Production Management, and until further notice, shall file Form PD-... (or at his election, Form PD-..., accompanied by copies of all endorsed purchase orders or contracts for Material to which the preference rating has been applied by him during .....).

XI

Records and Reports.

(1) The Producer, and each Supplier, who applies the preference rating hereby assigned, shall keep and preserve for a period of at least two years accurate and complete records and information concerning:

(i) All applications of such preference rating, including the kinds, values, quantities and delivery dates of Material covered by each such application, together with the name and address of each Supplier to whose deliveries of Material the rating has been applied.

(ii) Inventories and stocks on hand of Material of the kind covered by each application of the rating.

(iii) Contracts and purchase orders on his books, including delivery schedules, for parts for the repair or maintenance of passenger or freight elevators or escalators or for Material which will be physically incorporated into such parts.

(2) The Producer, and each Supplier who applies the preference rating, shall file reports containing such information concerning the matters specified in paragraph ..... and concerning any other pertinent matters, with the Office of Production Management, as shall from time to time be required by said Office. Until further order, such information shall be furnished to the Office of Production Management by the Producer and by each such Supplier, to the extent, in the form, and at the time specified in Form PD-..., and the instructions accompanying the same, copies of which are attached hereto.

(3) The Producer, and each Supplier who applies the preference rating, shall submit from time to time to an audit and inspection by representatives of the Office of Production Management concerning the matters specified in paragraph .....

XII

Violations. Any Person who wilfully violates any provisions of this Order or who falsifies records to be kept or information to be furnished pursuant to this Order may be prohibited from receiving further deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35(A) of the Criminal Code (18 U.S.C. 80).

XIII

False Statements and Penalties. Any person who applies the preference rating hereby assigned in wilful violation of the terms and provisions of this Order, or wilfully falsifies records to be kept or information to be furnished pursuant to this Order, or who obtains a delivery of material by means of a material and wilful misstatement may be prohibited from obtaining further deliveries of material under allocation and be deprived of any other priorities assistance. The Office of Production Management may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

XIV

Communications to Office of Production Management. The acceptance of this Order, all reports required to be filed hereunder, and all communications concerning this Order, shall, unless otherwise directed, be addressed to: "Office of Production Management, Washington, D. C., Ref: P-..., Attention ....." except that requests for information may be addressed to the nearest Field Office of the Office of Production Management.

XV

Conservation. The Producer shall wherever possible use conservation measures, such as substitution, redesign, and re-specification, to eliminate critical Material normally used.

XVI

Revocation or Modification. This Order may be revoked or amended by the Office of Production Management at any time as to the Producer or any Supplier. In the event of revocation, or upon expiration of this Order, deliveries already rated pursuant to this Order shall be completed in accordance with said rating, unless the rating has been specifically revoked with respect thereto. No additional

Copyright, February 3, 1942, The Research Institute of America, Inc.

applications of the rating to any other deliveries shall thereafter be made by the Producer or Supplier affected by such revocation or expiration.

XVII

Revocation or Amendment. This Order may be revoked or amended at any time as to the Producer or any Supplier. In the event of revocation, deliveries already rated pursuant to this Order shall be completed in accordance with said rating, unless the rating has been specifically revoked with respect thereto. No additional applications of the rating to any other deliveries shall thereafter be made by the Producer or Supplier affected by such revocation.

XVIII

Applicability of Priorities Regulation No. 1. This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

XIX

Acceptance

(Before signing this Acceptance read carefully paragraphs ..... of the foregoing Order and the Instructions set forth below.)

The Producer or Supplier named below hereby accepts Preference Rating Order No. P-... agrees to be bound by the terms thereof, and certifies to the Office of Production Management that he, the undersigned, is entitled to apply the preference ratings assigned pursuant to said Order, in accordance with its terms.

Dated this ..... day of .....

.....
Legal Name of Producer or Supplier

By .....
Name and Title of Authorized Individual

.....
Address of Producer or Supplier

(Section 35(A) of the Criminal Code, 18 U.S.C. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.)

XX

Acceptance of Preference Rating Order No. P-...

To be detached from the foregoing Order, signed by an authorized agent, and returned to the Division of Priorities, Office of Production Management, Washington, D. C., by the Producer, before he applies the preference rating assigned by the foregoing Order.

(Before signing this Acceptance, read carefully sections ..... of the foregoing Order.)

The Producer named below hereby accepts Preference Rating Order No. P-... and certifies to the Director of Priorities of the Office of Production Management that he is entitled to apply the preference rating assigned by said Order in accordance with its terms.

Dated this ..... day of .....

.....

.....
Legal Name of Producer

By .....
Name and Title of Authorized Agent

.....
Address of Producer

(Section 35A of the Crimnial Code, 18 U.S.C. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.)

Exact copies, including name and serial number, may be made by the Producer by the photo-offset or similar photographic process, for delivery to Suppliers. These copies must be identical in size and in every other respect with the order issued. In addition, other copies of this Order may be secured from the Division of Priorities, Office of Production Management, Washington, D. C.

Limitation Orders—L Orders

R·648. What are Limitation Orders. The *Limited Preference Rating Order,* sometimes called "blanket order," must be distinguished from the *Limitation Order* (L Order). The Limitation Order limits production in a certain non-defense line in order to save materials for another defense industry, or in order to make production capacity of the industry under a Limitation Order available to defense production. A Limited Preference Rating Order and a Limitation Order can go hand in hand—the one reducing non-defense production, the other assuring the same industry materials and machinery for its defense production. Passenger car, light truck and domestic refrigerator production were the first to be restricted by Limitation Orders.

R·649. Typical clauses in L-Orders. The following form is made up of standard clauses appearing in L-Orders. A specific order may contain one or more of these typical clauses:

General Limitation Order No. L-. . .

I

Whereas, the demands of national defense have created a shortage of ..... used in the manufacture of .....; action has already been taken to conserve the supply and direct the distribution of such materials to insure deliveries for defense and essential civilian requirements; and the present supply of these materials will be insufficient for defense and essential civilian requirements unless the manufacture of ..... is curtailed and the use of critical materials for such manufacture thereby reduced.

II

Avoidance of Excessive Inventories. Effective immediately manufacturers of ..... shall not accumulate inventories of raw materials, semi-processed materials, or finished parts for ..... in quantities in excess of the minimum amount necessary to maintain production of ..... at the rates premitted by this Order.

III

Records. All persons affected by this Order shall keep and preserve for not less than two years accurate and complete records concerning inventories, production and sales.

IV

Audit and Inspection. All records required to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.

V

Reports. Each manufacturer to whom this Order applies shall file with the ..... of the Division of Civilian Supply of the Office of Production Management reports on Form PD-... and such other reports and questionnaires as said Office shall from time to time specify. Until further notice Form PD-... shall be filed on or before the ..... day of each month, commencing ..... and shall cover the preceding month or a portion thereof.

VI

Provision for Companies under Common Ownership. For the purposes of this Order, a manufacturer's classification into Class "A," "B," or "C" shall depend upon the ..... factory sales value of that manufacturer, including in the total of such factory sales value the factory sales value of all subsidiaries, affiliates, or other companies or enterprises under common ownership or control.

VII

Violations or False Statements. Any person who violates this Order, or who wilfully falsifies any records which he is required to keep by the terms of this Order, or by the Director of Priorities, or otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management, may be deprived of priorities assistance or may be prohibited by the Director of Priorities from obtaining any further deliveries of materials subject to allocation. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35A of the Criminal Code (18 U.S.C. 80).

VIII

Appeals. Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a serious problem of unemployment in his community, or that compliance with this Order would disrupt or impair a program of conversion from non-defense to defense work, may appeal on Form ..... to the Office of Production Management by addressing a letter to the Office of Production Management, Ref: L-..., Social Security Building, Washington, D. C., setting forth the pertinent facts and the reasons why he considers he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

IX

Applicability of Other Orders. Insofar as any other Order, issued by the Director of Priorities, or to be issued hereafter, limits the use of any material to a greater extent than the limits imposed by this Order, the restrictions in such other Order shall govern unless otherwise specified therein.

X

Application of Priorities Regulation No. 1. This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (part 944), as amended from time to time, except to the extent that any provisions hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

XI

Communications. All reports to be filed, appeals and other communications concerning this Order should be addressed to the Office of Production Management, Washington, D. C., Ref: L-....

XII

Reports. Each manufacturer to whom this Order applies shall file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request.

Copyright, April 10, 1942, Research Institute.

XIII

Violations. Any person who wilfully violates any provisions of this Order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order, may be prohibited from receiving further deliveries of any material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35 (A) of the Criminal Code (18 U.S.C. 80).

XIV

Appeal. Any person affected by this Order, who considers that compliance would work an exceptional and unreasonable hardship upon him, that it would result in a serious problem of unemployment in the community, or that compliance with this Order would disrupt or impair a program of conversion from non-defense to defense work may appeal to the "War Production Board, Washington, D. C., Ref: L-...," setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

XV

Communications to War Production Board. All reports required to be filed hereunder and all communications concerning this Order shall, unless otherwise directed, be addressed to:

War Production Board
Washington, D. C., Ref: L-....

XVI

Audit and Inspection. All records to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the War Production Board.

XVII

Reports. Each manufacturer to whom this Order applies shall file with the War Production Board such reports and questionnaires as said Board shall from time to time prescribe.

XVIII

Communications. All reports to be filed, appeals and other communications concerning this Order should be addressed to the War Production Board, Washington, D. C., Ref: L-....

XIX

Violations or False Statements. Any person who violates this Order, or who wilfully falsifies any records which he is required to keep by the terms of this Order, or by the Director of Industry Operations, or otherwise wilfully furnishes false information to the Director of Industry Operations or to the War Production Board may be deprived of priorities assistance or may be prohibited by the Director of Industry Operations from obtaining any further deliveries of materials subject to allocation. The Director of Industry Operations may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35 (a) of the Criminal Code (18 U.S.C. 80).

XX

Routing of Correspondence. All reports to be filed, appeals and other communications concerning this Order shall be addressed to the War Production Board, Washington, D. C., Ref:.....

Export Clearance and Priorities

R·655. Project Licensing Division expedites exports essential to friendly nations. As part of an effort to prevent war dislocation of the civilian economies of friendly foreign nations, the Office of Export Control operates an "export clearance system" through its Project Licensing Division. The task of the Project Licensing Division is to facilitate individual export transactions, particularly with Latin American countries, by speeding the obtaining of (1) necessary priority ratings, and (2) approval from government agencies that might have special interests in the transaction. The Division acts as a central clearing office through which the entire export proposal can be handled and thus saves the exporter the time and effort otherwise required to carry the transaction through a number of different offices.

Note this important point—the Project Licensing Division only acts in those cases where the commodity being exported is deemed *essential* to the civilian economy of a friendly nation. For this reason, the information required by Section 8 of Form OEC-49A (see ¶ R·656) should be furnished most carefully and completely. The Division will not assist you if your answers fail to prove the "essentiality" of the commodity which it is desired to export.

observation: The work of the Project Licensing Division does not in any way change the procedure for obtaining export licenses. It acts only in the special instances noted and then only as a coordinating agency rather than one of original jurisdiction.

R·656. Instructions for filing export clearance proposals. The Board of Economic Warfare has issued Form OEC-49A which contains instructions for filing export clearance proposals with the Project Licensing Division when a priority rating is necessary. This form supplants (as of March 5, 1942) Form AEC-49 which was formerly used.

The following is the text of Form OEC-49A:

Attention is called to Priorities Regulation No. 3 (¶ R.6,018), one of the provisions of which is that Forms PD-1-2-3-4-5 be replaced by Forms PD-1-A and PD-3-A. Until March 5, applications will be accepted on Forms PD-1 and AEC-49, or PD-1-A and/or PD-3-A. *After* March 5, applications will be accepted only if submitted on Forms PD-1-A and PD-3-A (the text of Forms PD-1-A and PD-3-A are shown at ¶ R.6,022-3).

Forms PD-1-A or PD-3-A must be submitted in triplicate to the Board of Economic Warfare, Office of Export Control, Project Licensing Division, Washington, D. C.

Application may be made only by a corporation, partnership, or individual who is, in fact, the exporter, or a duly authorized agent. No application of any person not subject to the jurisdiction of the United States will be considered unless such applicant shows in detail that an unusual hardship would result from a denial of the application.

A complete clearance proposal shall consist of the following:

1. The necessary PD-1-A (s) or PD-3-A (s) in *TRIPLICATE* (determined by classes of materials or products);

2. The answers to the questionnaire following, in *TRIPLICATE* and on the applicant's letterhead; and,

3. The necessary export license application (s) and the return card, properly filled in. (Where no export license is necessary because export is being made under an existing general or unlimited license, a statement to this effect should be made at Section 14 of the questionnaire.)

Questionnaire

1. State the name, address, and citizenship of the applicant.
2. State the name, address, and citizenship of the consignee in the foreign country.
3. State the name, address, and citizenship of ultimate consumer in the foreign country.
4. State the name, address, and citizenship of the purchaser in the foreign country.
5. If 2, 3, or 4, is a subsidiary or an affiliate of an American firm, state which and the relationship.
6. To the best knowledge of the applicant, does any commission, fee, remuneration, or other benefit accrue to any person whose name appears on "The Proclaimed List of Certain Blocked Nationals," or any agent, representative, or member of the immediate family of any such person by reason of the sale, purchase or any service connected with the exportation of this commodity?
7. To the best knowledge of the applicant, is the consignee or purchaser, named in this application, owned or controlled by a person, corporation, partnership, association, or any other organization of any type whatsoever, located within the jurisdiction of any country with which the United States is at war?
8. Describe fully the specific use of the material to be exported or the products to be manufactured from it, including statement of type of business in which the material is to be used. Also answer applicable questions below:
   (a) For resale in the open market or for conversion into goods to be so marketed? Explain fully.
   (b) For new construction or expansion? Explain fully.
   (c) For maintenance, repair or expansion of existing facilities? Explain fully.
   (d) Required for the National Defense, public health, or safety of the country of destination? Explain fully.
   (e) Required by public service corporations in the country of destination? Explain fully.
   (f) Required to enable the consignee to produce and export needed material to the United States or to one of the United Nations? Explain fully.
   (g) Is material to be re-exported, and if so, to what country?
9. State specifically what proportion of normal annual requirements is covered by this proposal.
10. Approximate selling price in United States dollars f.a.s. at port of shipment. State also, unit value.
11. Indicate which of the following statements would apply to the price (s) furnished:
   (a) Price is not above the ceilings established by the Office of Price Administration.
   (b) Material covered has not been placed under price control to date.
   (c) If not under a price ceiling, prices are not above current export market prices. If above, explain fully and in detail.
12. State whether the article or material covered by this application is being manufactured to specifications which make it unusable or unsellable in the United States, or

Copyright, April 3, 1942, Research Institute.

whether for any other reason, there is no domestic market for this material.

13. Has any other application covering the particular consignment or shipment specified below been filed? If so, check the appropriate space: application rejected; application returned for correction; application granted; no action obtained.

14. (a) Is special export license(s) necessary? If not, give commodity number.

(b) If special export license has been previously granted, give number(s) and date(s) issued.

(c) If special export license is required and has not been previously granted, such license or license applications are attached herewith, numbering.....

observation: The forms mentioned in this and the preceding paragraph may be obtained from any of the offices listed at ¶ Q·713.

Master Priority Regulation

R·660. Priorities Regulation No. 1 sets up general framework for priorities system. A series of broad rules and regulations governing priority procedure was issued on August 27, 1941, in the form of a basic document designated as Priorities Regulation No. 1 over the signature of E. R. Stettinius, Jr., Director of Priorities Division, OPM. On December 23, 1941 a complete revision of Priorities Regulation No. 1 was issued.

The priorities regulation lays down the general framework for priorities compliance. Future orders issued by the Division will merely cite Regulation No. 1 and will not repeat the full text of the requirements.

observation: Note that Priorities Regulation No. 1, in Section 944.21, ratifies and confirms all existing orders and directions of the Director of Priorities. Previous orders shall, therefore, remain in full force and effect until they expire on the dates prescribed in each individual order unless they are specifically revoked or amended.

However, the specific provisions of any existing or future order issued by the Director of Priorities *will control* when it conflicts with the general provisions of Regulation No. 1. That means, for instance, if an order is issued putting a new material under priority control in which, due to the particular nature of the material, it is necessary to keep more detailed records than those prescribed by Section 944.15 of Priorities Regulation No. 1, then the special provisions for that material will take precedence over the record requirements of Regulation No. 1. When, however, such conflict does not exist, Regulation No. 1 will always be applicable to any *existing or future* priorities order.

Note also that the new regulation affects not only the allocation of materials such as aluminum, copper, etc. (M-orders) but also blanket priority orders issued to industrial groupings (P-orders).

R·661. Summary of Priorities Regulation No. 1. The following is an informal summary of major provisions of Priorities Regulation No. 1:

(1) The regulation provides a system under which any defense customer for any material, who is unable to place his order satisfactorily, or whose delivery is delayed, may bring this matter formally before the Director of Priorities who will take appropriate action.

(2) The Director may assign preference ratings to orders which have been placed or which have not been placed, and he may also issue binding instructions regarding deliveries, without assigning preference ratings.

(3) Any person who has defense orders on hand must so schedule his production that deliveries under defense orders will be made on the dates required.

(4) Delivery dates specified in defense orders must not be earlier than required.

(5) Any allocations of material ordered by the Director may be made without regard to preference ratings which may have been assigned to deliveries under

particular contracts or purchases, and in such cases specific allocations will take precedence over individual preference rating certificates or blanket ratings.

(6) Intra-company deliveries, except when otherwise specified, are to be subject to the same restrictions which may apply to inter-company deliveries.

(7) Accumulation of excess inventories is prohibited.

(8) All records required to be kept by priority orders are to be open to audit and inspection by representatives of the Office of Production Management.

(9) Any person making willful false statements may be deprived of deliveries of material; in cases where such action is warranted, the Director may also recommend prosecution under Section 35 of the Criminal Code *(18 U.S.C. 80)*.

R·662. Amendment of Priorities Regulation No. 1.

Effective at once, Priorities Regulation No. 1, sections 944.1 to 944.21 inclusive, is hereby amended to read as follows:

This Regulation is issued to promote the defense of the United States and facilitate the operation of the Priorities System.

944.1 *Definitions.*

(a) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not.

(b) "Defense Order" means:

(1) Any contract or purchase order for material or equipment to be delivered to, or for the account of:

(i) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Committee for Aeronautics, the Office of Scientific Research and Development;

(ii) The government of any of the following countries: The United Kingdom, Canada and other Dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, The Kingdom of the Netherlands, Norway, Poland, Russia and Yugoslavia.

(2) Any contract or purchase order placed by any agency of the United States Government for material or equipment to be delivered to, or for the account of, the Government of any country listed above, or any other country, including those in the Western Hemisphere, pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-Lease Act).

(3) Any other contract or purchase order to which the Director of Priorities assigns a preference rating of A-10 or higher.

(4) Any contract or purchase order for material or equipment required by the Person placing the same to fill his contracts or purchase orders on hand, provided such material or equipment is to be physically incorporated in material or equipment to be delivered under contracts or purchase orders included under (1), (2) or (3) above.

(c) "Material" means any commodity, equipment, accessory, part, assembly or product of any kind.*

944.1a *Certain Defense Orders Rated A-10.* Every Defense Order (as defined in this Regulation) for any Material which has not been specifically assigned a higher preference rating, is hereby assigned a rating of A-10.*

944.2 *Compulsory Acceptance of Defense and Other Rated Orders.* Defense Orders for any Material and all other purchase orders bearing preference ratings, including both A and B ratings (hereinafter called "other rated orders") must be accepted and filled in preference to any other contracts or purchase orders for such Material, subject to the following provisions:

(a) Such orders must be accepted even if acceptance will render impossible, or result in deferment of,

(1) deliveries under previously accepted orders bearing no preference rating, or

(2) deliveries under previously accepted orders bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities or is permitted under the terms of section 944.2(b)(2);

Copyright, January 9, 1942, The Research Institute of America, Inc.

(b) Any such order need not be accepted

(1) if delivery on schedule thereunder would be impossible by reason of the requirements of previously accepted orders bearing higher or equal preference ratings, unless acceptance is specifically directed by the Director of Priorities;

(2) if delivery on schedule thereunder can be made only by use of Material which is already completed when such order is received or which is scheduled to be completed within fifteen days thereafter, and which was specifically produced for delivery under Defense Orders previously accepted bearing lower preference ratings, unless the preferred order bears a rating of AA or acceptance thereof is specifically directed by the Director of Priorities;

(3) if the Person seeking to place such order is unwilling or unable to meet regularly established prices and terms of sale or payment, but there shall be no discrimination against such orders in establishing such prices or terms;

(4) if the Material ordered is not of the kind usually produced or capable of being produced by the Person to whom such order is offered;

(5) if such order specifies deliveries within fifteen days, and if compliance with such delivery dates would require the termination before completion of a specific production schedule already commenced.*

944.3 *Rejected Orders.* When a Defense Order or any other rated order for any Material has been rejected in violation of this Regulation, the Person seeking to place such order may file with the Office of Production Management a report setting forth the facts in connection with the rejection. When the facts set forth justify such action, the Director of Priorities will thereupon direct the Person against whom complaint is made to submit a statement setting forth the circumstances concerning the rejection. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.*

944.4 *Assignment of Preference Ratings.* Preference ratings may be assigned to contracts, purchase orders or deliveries by means of Preference Rating Certificates issued by authority of the Director of Priorities, or by rules, regulations or Orders issued by the Director of Priorities assigning ratings to particular deliveries or to specified classes of deliveries. Such ratings may be assigned to deliveries under accepted contracts or purchase orders, and also to purchase orders which have not been placed or accepted at the time the rating is applied for. The Director of Priorities may also issue specific Orders as to particular deliveries, without assigning ratings thereto.*

944.4a *Duration of Preference Rating Orders.* In the case of any Order of the Director of Priorities which authorizes a Person to apply a preference rating to deliveries of Material, such rating may, in the absence of a contrary provision in the particular Order, be applied to deliveries to be made after the date of expiration of the Order, provided such application is made during the life of the Order, and provided the purchase order calling for such delivery is not placed further in advance of the delivery date than has been the usual business practice. In the event of revocation or upon expiration of any Order of the Director of Priorities pursuant to which a preference rating has been applied to deliveries of Material, deliveries already rated pursuant to such Order shall be completed in accordance with said rating, unless the rating has been specifically revoked by the Director of Priorities as to such delivery. No applications of a rating to any delivery shall be made by any Person pursuant to any Order of the Director of Priorities, after the revocation or expiration of such Order.*

944.5 *Sequence of Preference Ratings.* Preference Ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10; BB, B-1, B-2, etc., . . . B-8, AA being the highest rating presently assigned.*

944.6 *Doubtful Cases.* Whenever there is doubt as to the preference rating applicable to any delivery or as to whether a particular order is a Defense Order, the matter is to be referred to the Office of Production Management for determination, with a statement of all pertinent facts.*

944.7 *Sequence of Deliveries.*

(a) Every delivery under a Defense Order or other rated order shall be made in preference to deliveries under all other contracts or purchase orders whenever, and to the extent, necessary to meet the delivery schedule provided in the preference rating certificate covering such delivery, or in the contract or purchase order if no certificate has been issued. Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure those deliveries bearing higher preference ratings, even though such deferment may cause defaults under other contracts or purchase orders. Each Person who has Defense Orders or other rated orders on hand must so schedule his production and deliveries that deliveries thereunder will be made on the dates required, giving precedence, in case of unavoidable delay, to deliveries bearing the higher preference ratings.

(b) The sequence of deliveries bearing the same preference rating shall be determined by the delivery dates specified in their respective preference rating certificates, or if the ratings were assigned by rule, regulation or Order of the Director of Priorities, but no certificates were issued, then by the dates specified in the contracts or purchase orders. In any case where both preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the sequence of deliveries shall be determined by the respective dates on which the preference ratings are applied to the deliveries.

(c) Notwithstanding the foregoing provisions, Material specifically produced for a Defense Order may not be diverted and delivered under a higher rated order subsequently accepted if such Material is completed at the time of the acceptance of the higher rated order or is scheduled for completion within fifteen days thereafter, unless such diversion is specifically directed by the Director of Priorities, or unless the subsequently accepted order bears a rating of AA.*

944.8 *Delivery Schedules.* No earlier delivery date shall be specified in any Defense Order or other rated order than required by the production or delivery schedules of the Person placing such order, and each such order must bear a specific delivery date or dates. No preference rating will be assigned to any contract or purchase order specifying delivery dates earlier than required by the production or delivery schedules of the Person placing the contract or purchase order.*

944.9 *Deferred Deliveries.* When deliveries under Defense Orders or other rated orders have been unreasonably or improperly deferred, the Person entitled to delivery may file with the Office of Production Management a report setting forth the facts in connection with the deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the Person against whom complaint is made to submit a statement, setting forth the circumstances concerning the deferment of deliveries. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.*

944.10 *Allocations and Limitations.* When specific allocations of a Material are made by the Director of Priorities, such allocations may, in the discretion of the Director, be made without regard to any preference ratings which have been assigned to deliveries under particular contracts or purchase orders. Allocation orders issued by the Director of Priorities shall take precedence over any preference ratings assigned to deliveries under particular contracts or purchase orders. In the case of any rule, regulation or Order limiting the amount of deliveries, sales, production, manufacture, processing, use or other transactions in any Material, transactions involved in the performance of defense or other rated orders shall be included in calculating the amount permitted by such limitation unless otherwise expressly provided. In case limitations imposed by two or more rules, regulations or Orders are applicable to the same subject matter, the most restrictive shall apply, unless otherwise expressly provided.*

944.11 *Use of Material Obtained under Allocation or Preference Rating.* Any Person who obtains a delivery of any Material under an Order of the Director of Priorities, or a delivery of Material bearing a preference rating, must use such Material, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the Order or rating.*

944.12 *Intra-Company Deliveries.* When any rule, regulation or Order of the Director of Priorities prohibits or restricts deliveries of any Material by any Person, such prohibition or restriction shall, in the absence of a contrary direction, apply not only to deliveries to other Persons, including affiliates and subsidiaries, but also to deliveries from one branch, division or section of a single enterprise to another branch, division or section of the same or any other enterprise under common ownership or control.*

944.13 *Effect of Rule, Regulation or Order.* When any rule, regulation or Order of the Director of Priorities prohibits or restricts deliveries or use of any Material, such prohibition or restriction shall, in the absence of a contrary direction, apply to all deliveries and use made after the effective date of the rule, regulation or Order, including deliveries under contracts or purchase orders accepted either prior to or subsequent to such effective date. No Person shall be held liable for damages or penalties for any default under any contract or purchase order which shall result directly or indirectly from his compliance with any rule, regulation or Order of the Director of Priorities.*

944.14 *Inventory Restriction.* Unless specifically authorized by the Director of Priorities, no Person shall knowingly make delivery of any Material whatever, and no Person shall accept delivery thereof if the inventory of such Material of the Person accepting delivery, in the same or other forms, is, or will by virtue of such acceptance become, in excess of the practicable minimum working inventory reasonably necessary to meet deliveries of the products of the Person accepting delivery, on the basis of his current method and rate of operation. Unless specifically authorized by the Director of Priorities, no Person shall process, fabricate, alloy or otherwise alter the shape or form of any Material if his inventory of such Material in its processed, fabricated, alloyed or

Copyright, January 9, 1942, The Research Institute of America, Inc.

otherwise altered shape or form is, or will by virtue of such operation become, in excess of a practicable minimum working inventory thereof. The term "practicable minimum working inventory" is to be strictly construed. The mere fact that the rate of turnover has increased or that materials are difficult to obtain does not justify maintaining inventories above the minimum with which operations can be continued. In the calculation of the practicable minimum working inventory of any Person who imports Material, either directly or through an agent, deliveries of such imported Material to such Person may be excluded.

944.15 *Records.* Each Person participating in any transaction to which any rule, regulation or Order of the Director of Priorities applies shall keep and preserve for a period of not less than two years accurate and complete records of his inventories of the Material or Materials to which such rule, regulation or Order relates and of the details of all transactions in such Materials. Such records shall include the dates of all contracts or purchase orders accepted, the delivery dates specified in such contracts or purchase orders, and in any preference rating certificates accompanying them, the dates of actual deliveries thereunder, description of the Material covered by such contracts or purchase orders, description of deliveries by classes, types, quantities, weights and values, the parties involved in each transaction, the preference ratings, if any, assigned to deliveries under such contracts or purchase orders, details of Defense Orders and all other rated orders either accepted or offered and rejected, and other pertinent information.*

944.16 *Audit and Inspection.* All records required to be kept by this Regulation or by any rule, regulation or Order of the Director of Priorities shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.*

944.17 *Reports.* Each Person participating in any transaction to which any rule, regulation or Order of the Director of Priorities applies shall execute and file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request.*

944.18 *Violations and Penalties.* Any Person who violates any provision of this Regulation or any other rule, regulation or Order of the Office of Production Management, or who, by any statement or omission, wilfully falsifies any records which he is required to keep, or who otherwise wilfully furnishes false or misleading information to the Director of Priorities or to the Office of Production Management, and any Person who obtains a delivery, an allocation of Material or a preference rating by means of material and wilful, false or misleading statement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of Material under priority control and may be deprived of further priorities assistance. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35(A) of the Criminal Code (18 U. S. C. 80).*

944.19 *Relief in Exceptional Cases.* Any Person subject to any requirement of any rule, regulation or Order of the Director of Priorities who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, may appeal to the Office of Production Management, setting forth the pertinent facts and the reasons such Person considers that he is entitled to relief. The Office of Production Management may thereupon take such action as it deems appropriate.*

944.20 *Notification of Customers.* Any Person who is prohibited from or restricted in making deliveries of any Material by the provisions of any rule, regulation or Order of the Director of Priorities shall, as soon as practicable, notify each of his regular customers of the requirements of such rule, regulation or Order, but the failure to give such notice shall not excuse any customer from the obligation of complying with any requirements of such rule, regulation or Order applicable to such customer.*

944.21 *Effect and Scope of Regulation: Ratification of Prior Acts.* This Regulation shall take effect at once and, except where inconsistent with the specific provisions of any existing or future rule, regulation, Order or direction of the Director of Priorities, shall hereafter regulate and govern all matters embraced herein, including transactions in Materials not subjected to priority control otherwise than by this Regulation. All existing rules, regulations, Orders, directions and actions of the Director of Priorities are hereby ratified and confirmed and shall remain in full force and effect until they expire by their terms or are specifically revoked or amended.*

Issued this 23rd day of December, 1941, effective immediately.

DONALD M. NELSON, *Dir. of Priorities.*

* Sections 944.1 to 944.21, inclusive, issued pursuant to the authority contained in O.P.M. Regulation 3 Amended, Sept. 2, 1941, 6 F.R. 4865; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session.

R·663. "Defense order" defined. The term "defense order" includes any contract or purchase order for material or equipment to be delivered to the Army or Navy, the Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics and the Office of Scientific Research and Development.

Furthermore, defense orders are to be considered deliveries to the governments of the United Kingdom, Canada and other Dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, the Kingdom of the Netherlands, Norway, Poland, Russia and Yugoslavia. Of course, the governments of Belgium, Greece, the Netherlands, Poland, Norway and Yugoslavia are the so-called "governments in exile" and the government of China is the Chungking national government and not the puppet regimes.

Orders placed on behalf of a foreign government by any agency of the United States Government under the Lend-Lease Act are to be considered as defense orders.

Note that every order which has been given a preference rating of A-10 or higher is also to be considered a defense order. This means that even orders of a purely civilian nature, if the Director of Priorities sees fit to assign to them an A-10 or higher rating, are to enjoy the priority advantages enjoyed by strictly defense orders.

Orders for materials used in the completion of defense orders, i.e., orders which the prime contractor places with subcontractors or material men are to be considered defense orders if the material or equipment supplied by the subcontractor or material men is to be physically incorporated in material or equipment to be incorporated in defense orders as defined above.

The term "materials" as used in connection with priority measures signifies any commodity, material, equipment, accessory, parts, assemblies or products of any kind.

Observation: Note that all defense orders, as defined, are assigned an A-10 rating. The Regulations prior to December 23, 1941 required the acceptance of defense orders and preferred treatment for such orders, but did not specifically assign them a grade, so that the question was frequently raised as to how unrated defense orders should be treated in comparison with orders specifically rated A-10. The change is largely one of form rather than substance, because the answer which has been given to this inquiry is that they should be rated as A-10 orders. *(Section 944.1a as amended December 23, 1941)*

R·664. Civilian "B" rated orders get mandatory preference. Priority ratings, including B-ratings for essential civilian orders as well as A-ratings for defense orders, must be accepted by producers, in preference to any unrated order. Previously the acceptance of B-rated orders was not mandatory. The compulsory acceptance of B-rated orders is a further transitional step in the move toward allocation of scarce materials, since B-ratings are one method of designating the relative importance of *civilian* uses for materials after war requirements have been met. *(Section 944.2 as amended December 23, 1941)*

Copyright, January 9, 1942, The Research Institute of America, Inc.

R·665. Compulsion to accept preference rated orders. The principle of compulsory acceptance of preference rated orders has been incorporated into Section 944.2 of Priorities Regulation No. 1.

This is the most important provision of the regulation. It requires all manufacturers and producers to accept preference rated orders (subject to a few specific limitations).

The requirement that preference rated orders be accepted is set forth in a six-point formula. This formula is similar to that which appeared for the first time in the pig-iron priority order, but it is now provided that the requirement applies to all manufacturers, producers, distributors and dealers, in whatever category.

The six-point formula provides that—

(a) Preference rated orders must be accepted even if acceptance will render impossible, or result in deferment of,
  (1) deliveries under non-defense orders previously accepted, or
  (2) deliveries under defense orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities;

(b) Preference rated orders need not be accepted
  (1) if delivery on schedule thereunder would be impossible by reason of the requirements of preference rated orders previously accepted bearing higher or equal preference ratings, unless acceptance is specifically directed by the Director of Priorities. The receipt of a new, high-rated order should not interfere with fulfillment of the delivery date on a previously accepted lower-rated order. Unless the new order bears an AA rating or is accompanied by specific direction from the Director of Priorities, it will not have to be accepted if its acceptance would necessitate preempting material which has already been completed to fill a previously accepted defense order which bears a lower rating, or if it would preempt material which is within fifteen days of completion. Or, if the new order is accepted, the producer may not divert material already completed or about to be completed on a previous defense order for use in filling the new order;
  (2) if the person seeking to place the preference rated order is unwilling or unable to meet regularly established prices and terms of sale or payment, but there shall be no discrimination against preference rated orders in establishing such prices or terms;
  (3) if the material ordered is not of the kind usually produced or capable of being produced by the person to whom the preference rated order is offered;
  (4) if such preference rated orders specify deliveries within 15 days, and if compliance with such delivery dates would require the termination before completion of a specific production schedule already commenced.

Observation: Note that preference rated orders need not be accepted if delivery on schedule would be impossible because of defense orders previously accepted with

a higher or equal preference rating. This means that if you have two orders with the same rating you must first complete the one that you received first. However, the Director of Priorities may specifically direct you to put an order bearing a lower preference rating ahead of an order on your books bearing a higher rating.

R·666. Discrimination against preference-rated orders. General Preference Orders (those designated with the letter M) are being issued with clauses forbidding discrimination against defense orders. A typical illustration is that found in General Preference Order No. M-15 relating to rubber (see Tab Vm) which reads as follows:

"No processor shall discriminate against defense orders in the acceptance of contracts or orders for rubber or products or materials of which rubber is a component. When defense orders for rubber, or products or materials of which rubber is a component, are offered, they shall be accepted in preference to any other contracts or orders offered under substantially the same terms and conditions."

observation: The discrimination clause must be read in its entirety. The effect of the clause is that a defense order must be accepted in preference to any other contract or order *offered under substantially the same terms and conditions.* In other words, you are not compelled to take a defense order merely because it is a defense order. It must be a defense contract or order offered under "substantially the same terms and conditions" as other orders which reach you. Such factors as credit, discounts, working relationships, and all the other ordinary conditions of business transactions are valid considerations in determining whether you will accept the order.

illustration: The X company receives a defense order from Y company offered at 20% under the contract price at which the X company has been doing business. The X company is not compelled to take the order of the Y company.

recommendation: In such cases, however, rather than turn down the business and run the risk of strained relations, the subcontractor should make every effort to facilitate the placing of the order. He should attempt to negotiate in order to bring the "terms and conditions" up to his usual requirements and thus put himself in a position where he can accept the preference-rated order.

If you must refuse a defense order because it is not offered under substantially the same terms and conditions as your ordinary business dealings you should make a detailed memorandum setting forth all the reasons for your refusal of the order, the date of the order, size of the order, and have it signed by some responsible official of the company. Keep this memorandum in your files so that if the Priorities Division should attempt to cut you off under allocation orders because of your refusal to work on a defense order, you can show that refusal was made for good cause. You can then demonstrate that you did not discriminate against defense orders, but did exercise your privilege of turning down an order because it was not offered under the same terms or conditions under which you ordinarily do business.

Do not, under any circumstances, invent artificial excuses for turning down defense orders. Justification for such a procedure will be impossible and you can

Copyright, January 9, 1942, The Research Institute of America, Inc.

expect to have officials checking your records sooner or later, at which time such "turn-downs" might cause you embarrassment and financial difficulty. Remember that if you do discriminate against defense orders without good cause, the Priorities Division has the power to cut you off from supplies by denying you priorities under General Preference Orders on which you depend.

R·667. Rejection of defense orders to be reported. Section 944.3 of Priority Regulation No. 1 provides that if an order for any material has been rejected in violation of the Regulation, the person seeking to place such order may file with the Division of Priorities a verified report in the form which is to be prescribed. In this form, he must set forth the facts important in connection with the alleged rejection. When the facts contained in this report justify such action, the Director of Priorities will thereupon direct the person against whom such complaint is made to submit on his part a sworn statement setting forth the circumstances concerning the alleged rejection. After these two reports have been received, the Director of Priorities will take such action as he deems appropriate.

recommendation: If you believe yourself justified to reject an order, *at the time of the rejection* make a memorandum as to why you rejected a proffered defense order. Memory is sometimes faulty in such cases as these and for that reason a written memorandum of the reasons put in the file and filed by a responsible person will help you to fill out the report required under Section 944.3 and will serve as insurance against disciplinary action.

R·668. Assignment of preference ratings. According to Section 944.4 of Priorities Regulation No. 1, preference ratings are assigned by means of Preference Rating Certificates which must be issued by authority of the Director of Priorities or by regulations or orders issued by the Director of Priorities. The Director of Priorities may assign ratings to individual deliveries or to specified classes of deliveries. Preference ratings may be assigned to deliveries under contracts or purchase orders which *have already been accepted* by a manufacturer or supplier. This refers to both civilian and defense orders. Any preference rating (including B ratings) may be assigned to any order before the contract or purchase order is placed. This provides for identification of prospective purchase orders as to which acceptance is required pursuant to the amendment just discussed. *(Section 944.4 as amended December 23, 1941)*

Section 944.5 of Priorities Regulation No. 1 put the order of preference ratings as AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10; BB, B-1, B-2, etc., . . . B-8, AA being the highest rating presently assigned. This is no deviation from previous procedure. In the past A-10 has been the lowest rating for defense orders and BB the highest rating for civilian orders although in certain cases civilian orders of a vital nature have been given A-ratings.

In cases where an application of a preference rating is in doubt the matter should be referred to the Division of Priorities with the statement of all pertinent facts according to Section 944.6. This is of particular importance in those orders where manufacturers themselves allocate materials pursuant to an M-order.

recommendation: If you believe that your order is not being given the proper preference rating under an allocation program, apply to the Division of Priorities for a ruling.

observation: The provision of Priorities Regulation No. 1 *(Section 944.4)* to the effect that preference ratings may be assigned to deliveries under *accepted* contracts of purchase orders and also in the case of defense orders to orders which have *not been placed or accepted* at the time the rating is applied for was included in order to speed up placement of defense orders which many suppliers would not accept until a preference rating had been assigned.

R·669. Sequence of deliveries. According to Section 944.7 of Priorities Regulation No. 1, deliveries under preference rated orders shall take preference over other contracts. But such preference in production need only be given within an enterprise if it is actually necessary to fulfill the delivery schedule provided in the Preference Rating Certificate. In the case of a blanket preference rating or allocation program or other direction of the Director of Priorities where a specific Preference Rating Certificate is not issued, the delivery schedule as stated in the contract or purchase order shall be binding for the delivery under the defense order.

Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure deliveries on orders bearing higher ratings. This shall be the case even though such deliveries may cause defaults resulting from compliance with a rule, regulation, or order issued by the Director of Priorities.

observation: The sequence of deliveries bearing the same preference rating is determined by the delivery dates specified in the respective preference rating certificates, or if the ratings were assigned by rule, regulation or order of the Director of Priorities, but no certificates were issued, then by the dates specified in the contracts or purchase orders. In any case where both preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the sequence of deliveries shall be determined by the respective dates on which the preference ratings are applied to the delivery.

R·670. Schedule of deliveries. A manufacturer who has a defense order on hand must *schedule* his production and delivery so that defense orders will be completed and delivered on the date required.

observation: In accordance with Section 944.8 of Priorities Regulation No. 1, no earlier date shall be specified in a defense order than required by the production or delivery schedule of the manufacturer placing the defense order. The purpose of this is to avoid having manufacturers place defense orders demanding deliveries ahead of the time that they need the materials in order to make quite certain that delivery is on time. The Division of Priorities will not assign preference ratings to a contract in which delivery dates are specified earlier than required to integrate the delivery into the buyer's production schedule.

R·671. Deferred deliveries to be reported. It is prescribed in Section 944.9 of Priorities Regulation No. 1 that when deliveries under defense orders

Copyright, January 9, 1942, The Research Institute of America, Inc.

have been unreasonably or improperly deferred, the person is entitled to file with the Division of Priorities a verified report in a form to be prescribed. This report should explain the facts connected with the alleged deferment. A similar procedure is prescribed in cases where manufacturers refuse to accept orders. (See ¶ R·666) The firm against which the complaint is made will thereupon be directed by the Director of Priorities to submit a sworn statement explaining his argument concerning the alleged deferment of deliveries. The Director of Priorities will take such action as he deems appropriate after having examined both sides of the question.

R·672. Allocation and limitation orders are controlling.

observation: Note that allocation and limitation orders take precedence over preference ratings and that, generally speaking, the more stringent restrictions take precedence over the less stringent.

R·673. Priority materials for priority purposes only. Section 944.11 of Priorities Regulation No. 1 prescribes that if a material is delivered under a Preference Rating Certificate, a blanket preference rating or other specific direction of the Director of Priorities, such material *or an equivalent amount thereof* must be used for the purpose specified in connection with the issuance of the preference rating order or other direction.

observation: The meaning of this is that a manufacturer who enjoys the advantages of a preference rating and obtains prompt delivery of an allocated or preference-rated material should use this material or an equivalent amount thereof for the completion of the order for the benefit of which the priority was granted.

You cannot, therefore, take a material that is delivered to you for a specific purpose on the basis of a priority measure and proceed to use this material for the completion of your civilian, non-preference-rated orders or for *another* preference-rated order.

recommendation: You may, if you have an adequate stock of the required material on hand, use up the preference-rated materials for civilian purposes and then use "an equivalent amount" of your stock material for the preference-rated order. You need not segregate preference-rated materials from your regular stock although, of course, some form of separate inventory records are highly advisable.

observation: It is, of course, very risky business to use up preference-rated material for the completion of your civilian orders in the belief that you will obtain later non-preference-rated shipments or deliveries under another preference rating in time to maintain the delivery schedule for the original preference-rated order. It can very easily happen if you attempt such juggling about of preference-rated and non-preference-rated stocks of materials that you will be penalized for having used up priority materials for purposes other than they were intended.

recommendation: If you use quantities of material left over after your preference-rated order or the order on which you got an allocation of this material has been filled, you also lay yourself open to being cut off from further priority aid.

R·674. Intra-company deliveries not exempt from priority provisions. Intra-company deliveries have, according to Section 944.12 of Priorities Regulation No. 1, the same status as inter-company deliveries. If a priority order prohibits or restricts deliveries to a customer firm, such prohibition or restriction will, in the absence of a contrary direction, apply also to affiliate and subsidiary companies and to deliveries from one branch, division or section of a seller's enterprise to another branch, division or section of the same enterprise, in so far as such enterprise is owned and controlled by the same person. In other words, there is no difference made between deliveries to your customers and deliveries to a branch or subsidiary of your own firm.

The prohibition against intra-company deliveries except in accordance with prohibitions or restrictions of deliveries as ordered by the Director of Priorities is designed to keep large integrated companies from "hogging" all the defense business. The language "affiliates and subsidiaries" is clear, but the language "branch division or section of a single enterprise" needs some explanation. What this means is a genuinely different operating branch of a business or section of a business or division of a business.

illustration: Delivery of the X commodity by manufacturers to any other person is restricted by an order of the Director of Priorities. The restriction states that the orderer of the commodity X may only get 70% of his requirements as of last year of the same time of ordering. The A Company, a manufacturer, sells in general trade to other dealers the X commodity. The A Company also has a retail outlet at which the X commodity is sold. This new regulation requires that the A Company restrict its deliveries to its retail outlet by 70% just as much as it does to all other of its purchasers. The mere fact that its retail outlet is just a division branch or section of it and is still the same corporate entity does not remove it from the restriction imposed by the order governing the selling of the X commodity.

illustration: On the other hand let's assume that the A Company has a painting section where the X commodity is painted. It would not restrict delivery to the painting section since this is merely one place in the process of manufacture and the X commodity was sold as a painted article.

recommendation: A good rule to determine whether your different branches, sections or divisions would be subject to this section of the regulation would be whether it is a different operating branch, section or division, or merely one place where the material is processed for final sale. If the former is true, it comes within the meaning of an intra-company delivery and such delivery is subject to the prohibitions and restrictions of orders of the Director of Priorities governing such delivery. If the latter is true, this section of the new regulations does not apply.

Copyright, January 9, 1942, The Research Institute of America, Inc.

R·675. What deliveries are affected by a priority order. Under Section 944.13, priority orders shall apply, unless otherwise specifically provided, to all deliveries made after the effective date of the order, including deliveries under contracts or purchase orders accepted either prior or subsequent to the effective date of the order.

observation: Note that the date of delivery is important—not the date of acceptance. This means that if you have already accepted an order for a delivery date which would cut into your priority production, you must clear your production schedule so as to get the order subject to priority completed on time. The production schedule you have today, based on already accepted orders, may, therefore, be completely upset by a preference-rated order. You may, of course, ask the Director of Priorities to relieve you from hardship and he is empowered to issue an order permitting you to complete your previously accepted private orders or orders with a lower preference rating. But there exists no assurance that the Director of Priorities will actually do this.

R·676. Liability for damage due to default on other contracts. Priorities Regulation No. 1, Section 955.13, states that no person shall be held liable for damages or penalties for any default under any contract or purchase order which shall result directly or indirectly from his compliance with any rule, regulation or order issued by the Director of Priorities. (See also ¶s R·517-9)

observation: Note that orders accepted *after* the acceptance of the preference-rated order and for which the date of delivery has been fixed, under consideration of the necessity of completing the preference-rated order, can be deferred by a priority measure amending the original preference rating or the delivery schedule. In this case, too, the manufacturer cannot be made liable as Regulation No. 1 does not make any provisions safeguarding civilian orders placed *after* a preference order has been accepted. It is, of course, a different matter if a manufacturer accepts a civilian order for a certain date in full knowledge that he cannot comply with this date because of an existing preference-rated order.

R·677. Complete inventory control established. Section 944.14 of Priorities Regulation No. 1 as revised provides a strict limitation of inventories. Whereas producers were previously forbidden to increase their inventories beyond the amount necessary to meet required deliveries of their products, they are now forbidden to accept delivery of materials for inventory in excess of a practicable working minimum. This means that all inventories of any materials whatever must be reduced to a practicable working minimum, strictly construed, before they can be replenished. The prohibition applies to suppliers of materials for inventory as well as to producers who maintain inventories and it covers non-defense as well as defense producers. An exception is made, however, for inventories of materials imported from foreign countries.

A possible loophole in the inventory restriction is closed by a provision that no material may be fabricated, processed, alloyed or otherwise altered if the pro-

ducer's inventory of the material in its altered form would thereby be increased beyond a practicable working minimum, unless specific authorization is granted by the Director of Priorities.

R·678. Deliveries for export and import materials not subject to inventory control. Priorities Regulation No. 1 provides in Section 944.14 that deliveries which deliver exports out of the United States are not subject to inventory control provided that such exports are licensed by the Administrator of Export Control. (See ¶s Q·5 et seq. and ¶s Q·700 et seq.)

Deliveries of imported materials to any person importing the same, either directly or through an agency, shall not be subject to inventory.

R·679. Records, reports, audit and inspection. Most of the priority orders issued until the promulgation of Priorities Regulation No. 1 contain specific provisions as to records to be kept and reports to be made in connection with the administration of preference ratings, inventories, etc. The new Priorities Regulation No. 1 contains an over-all clause regarding records and reports. Furthermore, it contains provisions regarding the audit and inspection of such reports. *(Sections 944.15, 944.16 and 944.17)*

Under Section 944.15 of Priorities Regulation No. 1, persons affected by a priority order shall keep for a period of not less than two years accurate and complete records of their inventories of the material covered by a priority order and the details of all transactions concerning such materials. The records shall include the dates of all contracts or purchase orders accepted. The delivery dates specified in such contracts shall include:

(a) The dates of all contracts or purchase orders accepted;

(b) The delivery dates specified in such contracts or purchase orders or in Preference Rating Certificates accompanying them;

(c) The dates of actual delivery under an order;

(d) Description of the material covered by the contract or purchase order;

(e) Description of deliveries by classes, types, weights, quantities, and values;

(f) The description of the parties involved in each transaction;

(g) The preference rating (A-1, A-1-b, . . . B, B-1, etc.), if any, assigned to deliveries under such contracts or purchase orders;

(h) Details of all defense orders accepted, offered, or rejected;

(i) Other pertinent information.

Section 944.16 provides that records required to be kept by Priorities Regulation No. 1 or by any order of the Director of Priorities, shall, upon request, be submitted to *audit and inspection* by duly authorized representatives of the Office of Production Management.

Copyright, January 9, 1942, The Research Institute of America, Inc.

Regarding report forms (PD forms—see ¶s R·903 et seq.), Section 944.17 provides that all persons affected by an order of the Director of Priorities shall file the required reports and questionnaires. No reports or questionnaires should be filed until forms are prescribed by the Office of Production Management.

observation: Note that Section 944.17 speaks of questionnaires. Such questionnaires will become increasingly important as the priority system develops. However, no private questionnaire may be filed with the Division of Priorities unless it is made on a prescribed form. Many firms have been circulating questionnaires among their customers in order to establish the amount of defense business being done and have filed these questionnaires with the Division of Priorities for the purpose of obtaining preference ratings. In future only official prescribed forms may be filed with the Division of Priorities. Of course, firms may still send out private questionnaires and keep them in their own files for future reference.

recommendation: If you are affected by existing priorities, study the record and report forms in use carefully and adjust your accounting and inventory control system so that you have the required data available at a moment's notice. Prompt filing of record and report forms may spell the difference between smooth operation of your business and "raw material starvation."

recommendation: If you fear that a priority system may be established for a material vital to your business, study the record and report forms used in already existing priority set-ups. Learn the procedure now. You will have a head-start on your competitors if you know the methods in advance and have prepared the data which will be required. Remember that new priority techniques will not differ substantially in administrative details from established ones, now that we have eight months of experience in priorities.

R·680. Only participants in regulated transactions to keep records. The regulation as originally drawn required all persons "affected by any rule, regulation or order" to keep records. This rule was difficult of application, as almost any person could be said to be affected by some order or regulation of the Director of Priorities. The revised provision substitutes a simple rule, viz., only the persons actually participating in any regulated transaction are required to keep records. *(Section 944.15 as amended December 23, 1941)*

R·680.1. Transactions involving violation are punishable. The original violations provision was restricted to penalties for furnishing false information. It has been expanded to include penalties for violation of any order or regulation. *(Section 944.18 as amended December 23, 1941)* The Director of Priorities may penalize persons who wilfully falsify records which they are required to keep or who furnish false information to the Director of Priorities by prohibiting them further deliveries of materials under allocation and by depriving them of further priority assistance. He may recommend that persons making false statements be prosecuted under Section 35A of the Criminal Code. *(18 U.S.C. 80)*

In the same manner such persons will be penalized who obtain a delivery of material or preference rating by means of a substantial and wilful misstatement.

LAW: Criminal Code, Section 35, (A), part, amended. (Presenting False Claims). *Whoever shall make or cause to be made or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit or deposition, knowing the same to contain any fraudulent or fictitious statement or entry in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder, shall be fined not more than $10,000 or imprisoned not more than ten years, or both. (As amended June 18, 1934, c. 587, 48 Stat. 996; April 4, 1938, c. 69, 52 Stat. 197.)*

R·681. Appeals for relief from hardship. If compliance with the Priorities Regulation or other order of the Director of Priorities works an exceptional and unreasonable hardship upon a person or firm, such person or firm may appeal to the Division of Priorities by addressing a letter to the Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C. Such appeal should state the pertinent facts and reasons why the person or firm affected believes itself entitled to relief.

The Director of Priorities will then take such action as he deems appropriate.

recommendation: In appealing to the Director of Priorities do not make vague statements but support every statement you make with adequate statistics and other data as to:

(a) Volume of your defense business;

(b) Amount of material needed;

(c) Defense contracts you are working on or on which your customers are working giving, if possible, the order number of each contract;

(d) Unemployment which will be caused if you do not receive the materials you need;

(e) The importance of your enterprise within the local community;

(f) Delay which would be caused if materials were not received on time.

Make your appeal, if possible, in the form of a memorandum attached to a letter and break it down into separate headings so as to facilitate its reading. Statistics and charts should be as complete as possible and easily understandable. If you have many customers and it is difficult to find out what amount of defense work is being done, it may be to your advantage to send out questionnaires along the lines used in connection with the Defense Supplies Rating Plan. This form is known as PD-25c. It could be adapted to your purposes. However, file the

Copyright, January 9, 1942, The Research Institute of America, Inc.

figures you obtain from this questionnaire and not the questionnaire itself with the Division of Priorities. Questionnaires may only be filed with the Division of Priorities if they are made on forms prescribed by the Division of Priorities.

R·682. Notification to customers of existing priority orders. If a person or firm is prohibited from or restricted in making deliveries under a priority order, the person or firm should, as soon as practicable, notify each of its regular customers of the requirements of such an order *(Section 944.20 of Priorities Regulation No. 1)*. The failure to give such notification shall not excuse customers from the obligation of complying with the terms of the priority order affecting either them or their suppliers.

recommendation: Notification should be made in writing and an acknowledgment of receipt should be asked for. It is recommended to send such notification not only to customers regularly buying the material in question but to all those customers who could directly or indirectly be affected by the order.

recommendation: Although Priorities Regulation No. 1 does not demand that suppliers should be notified, it is advisable to notify also suppliers and subcontractors of an existing priority order if the demand for materials to be delivered by the supplier is likely to increase. This should be done even though there is no immediate intention of extending a preference rating to suppliers and subcontractors.

R·683. All priority orders made mandatory. Priorities Regulation No. 2, issued September 9, 1941, makes priority preference ratings mandatory. Though the power to do this has always existed (see ¶s T·101 et seq.) preference ratings issued for civilian contracts, for foreign government contracts and for other United States Governmental contracts were based in many cases upon the voluntary cooperation of the persons concerned. Because of increasing shortages, additional powers were required to deal with the problem. These powers were granted in Public No. 89, 77th Congress, First Session (see ¶ R·321) and have been vested in the Priorities Division. Under these powers, all priority actions for defense are made mandatory in nature. This will be of assistance to many producers who, in the past, were sometimes confronted with serious scheduling difficulties as a result of having both mandatory and voluntary ratings on their order books.

The provision of the regulation making all preference ratings mandatory is of great importance.

Under the original legislation for priorities (see ¶ T·120), incorporated in Section 2(a), Public No. 671 (76th Congress, Third Session), mandatory preference ratings were assigned only for Army and Navy contracts.

R·684. Ratings signed by former Priorities Director. When Donald M. Nelson succeeded Mr. Stettinius as Director of Priorities, a number of preference rating certificates issued by Mr. Stettinius were still in operation. A large number of certificates signed in blank by Mr. Stettinius for the use of Army and Navy field officers continued to be available and were used in the field for the

time being. Because of this, it was necessary to declare specifically in Regulation No. 2 of September 9, 1941 that during the period of transition the certificates issued over the facsimile signature of Mr. Stettinius would continue to be valid.

R·685. Regulation No. 2 provides that stamped applications are valid priority certificates. A number of factors have combined so that at intervals the Division of Priorities is faced with a large backlog of applications for preference ratings which it often is impossible to process promptly. Lack of space, lack of sufficient personnel, and a marked rise in the number of applications received are all responsible.

In May of 1941 preference rating applications were being received at the rate of about 600 a week. Recently this rate had risen to between 4,000 and 5,000 a week. As a result, the number of applications "in process" increased.

The new plan announced by Mr. Nelson will permit the rapid handling of these delayed applications in the following way:

Instead of processing each application as usual, and preparing individual preference rating certificates which require a lot of paper work, a preference rating—if one is to be granted—will be stamped on the face of the application itself.

The blank will then be returned to the applicant, who can use it just as he ordinarily would use a preference rating certificate. The use of this system already has resulted in cleaning up thousands of applications on which action had been delayed.

R·686. Text of Priorities Regulation No. 2. The following is the text of Priorities Regulation No. 2, issued September 9, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 944—Priorities Division Regulations

PRIORITIES REGULATION No. 2

To make mandatory all preference ratings and to validate certain forms of Preference Rating Certificates

The following Regulation is issued by the Director of Priorities to promote the defense of the United States and for the purpose of improving and facilitating the operation of the Priorities System.

944.22 (a) All preference ratings heretofore or hereafter duly issued under the authority of the Director of Priorities shall be mandatory and legally enforceable, any provision in the instrument assigning the same to the contrary notwithstanding.

(b) All Preference Rating Certificates duly issued over the facsimile signature of E. R. Stettinius, Jr. as Director of Priorities are valid and shall continue valid in effect until termination or expiration by the terms thereof or by the circumstances or conditions of their application, or until hereafter cancelled, modified, changed or amended by the Director of Priorities.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(c) Preference ratings may hereafter be validly assigned by the Director of Priorities by means of the following endorsement (or any other form of endorsement prescribed by the Director of Priorities) stamped upon the face of any application for preference rating, including Form PD-1:

"Preference Rating ..... is hereby assigned to deliveries of the materials specified in the quantities and on the dates shown in the Schedule.

Date:

(sgd) D. M. NELSON
D. M. NELSON
Director of Priorities"

944.23 This Regulation shall take effect at once.

(P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; OPM Reg. 3, Mar. 8, 1941, 6 F.R. 1596, as amended, Sept. 2, 1941; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; Sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; Sec. 9, Public No. 783, 76th Congress, Third Session.)

Issued September 9, 1941.

.....

D. M. NELSON,
Director of Priorities.

R·687. Ratings not extendable to suppliers if own inventory adequate. The efforts of the Priorities Division to have industry use up existing inventories before applying for help under the priorities system were not successful as late as November, 1941. Many plants have maintained their inventories at above the necessary level and have been using the priorities system only to replenish their existing inventories. The Director of Priorities believes that priority help should only be used when required and that the right of the prime contractor to extend a priority rating is not an unlimited right.

In the first place, if the producer has sufficient material on hand to manufacture the designated products without depleting his inventory below "a practicable working minimum" he is not entitled to extend the rating to his supplier. He must use his material on hand to fill the rated purchase order. It would be a perversion of the preference rating system for a producer to extend a preference rating in order to protect inventories accumulated for ordinary civilian business.

Secondly, if the producer cannot manufacture the designated products without reducing his inventory below such minimum, he may avail himself of an authorization to extend the rating. In such a case, he should proceed at once to manufacture the products out of stock on hand without waiting to receive the materials to the delivery of which he has extended the rating. When the producer receives the materials to which he has extended the rating, he may add such materials to stock in order to restore his inventory to a working minimum.

"A practicable working minimum inventory," while not subject to exact interpretation, as it will vary in different situations, must be strictly construed. The mere fact that a producer's rate of turnover has increased or that materials are harder to obtain, does not justify using the preference rating system to maintain inventories above the minimum with which a company is able to operate. It is just

such practices that have aggravated the scarcity of materials, and caused delays in essential defense production.

Thirdly, if the producer fills the rated purchase order from materials on hand without extending the rating, he may not later extend the rating in order to obtain material to replenish his inventory.

For the above reasons, the Director of Priorities rendered an interpretation on September 29, 1941 relating to the use of inventory materials. In his interpretation Mr. Nelson made the following three points:

1. A producer who has received a defense order may not use a preference rating to procure materials with which to manufacture defense articles ordered if his inventory is already large enough to let him fill the order and still leave him with a practicable working minimum inventory.

2. If a producer's inventory is below a practicable minimum inventory, he may use a preference rating to procure the needed materials if this use of the preference rating is authorized. In such a case, however, he must not delay manufacture of the defense articles until he has received the materials, but must immediately start manufacture, using materials already in his inventory.

3. If a producer fills a defense order out of inventory materials without himself using a preference rating to obtain needed materials, he may not, after completion of the order, obtain materials to replenish inventory by use of a rating.

R·688. Redistribution of excess inventories. Order M-40 (see Section Ve) is the first order to provide for redistribution of excess inventory. This order states that any dealer holding an excess of 100,000 lbs. of sperm oil on the effective date of the order shall set aside 30% of all stocks in a special pool out of which a specific allocation can be made by the Director of Priorities. Such dealers are required to continue to set aside 30% of shipments received for the same purpose.

This procedure can be applied to all excess inventory and in practice means not merely a pool of inventory but actually a commandeering of inventories and putting such inventories at the disposal of the government as it sees fit.

Copyright, November 6, 1941, The Research Institute of America, Inc.

The Production Requirements Plan

R·750. Scope of Production Requirements Plan. The new Production Requirements Plan (Form PD-25-A) consisting of official instructions (Section A of the plan), Materials List No. 1, and Application Form (Sections B to H of the plan) was issued on December 3, 1941. Study this plan carefully. It will be the important priorities procedure, at least for the first two quarters of 1942, i.e., the period necessary to shape up the much talked about allocation program. Even then this machinery, with refinements and modifications, stands to remain in use. If you are manufacturing products for defense or for essential civilian purposes, try to fit it under this plan. If you were operating under the Defense Supplies Rating Plan, you will now switch to this new plan.

R·751. Essential civilian production recognized. Tucked away in the instructions is this significant statement: "Many manufacturers may have few defense orders although their products may be essential to the national economy. *These manufacturers may be entitled to a high preference rating as well as a company working directly on defense orders.*" In the picture which you are required to give of production for a recent three months' period, two classifications are called for—a breakdown by preference ratings and a breakdown by industry or end use for which products were shipped. The percentage of your business which carries preference ratings will work in your favor when the Priorities Division determines the rating which you can use in getting required deliveries and the amount of materials to which this rating can be assigned. Moreover, if the second breakdown, that by industry or end use, shows that a large portion of your production is for essential civilian industries, this factor will improve your position. Orders for transportation, power, and other key civilian activities stand to improve your rating and to increase the quantity of scarce materials which you will be able to obtain.

recommendation: The importance and the essentiality of the industries using your products will be a vital factor in determining the percentage of your scarce material requirements for which you can get priority assistance. Finding customers who are apt to be given a high rating in any list of essential non-defense industries will strengthen your position. As a guide to more essential industries, see ¶ R·109 for a list of 75 industries considered essential by the National Defense Advisory Commission early in 1941. For an idea as to how these industries might be graded in importance, see the World War industry classifications at ¶ R·104. Still another guide may be found in the aluminum directory at ¶ Vj·118, but in using this latter guide, check the warning at ¶ Vj·117.

R·752. How to apply. Apply for use of the Production Requirements Plan by submitting five copies of Form PD-25-A to the Production Requirements Plan Section, Office of Production Management, Washington, D. C. Show the kind and volume of products you have been making, the priority ratings of orders you have filled during the months of July, August, September, 1941, the use of your product,

the inventory of materials which you have on hand and your anticipated material requirements for the calendar quarter from January 1 to March 31, 1942.

recommendation: You can't use this rating until the first quarter of 1942, but note the official instructions: "The earlier the form is submitted, the earlier he will receive priority assistance."

R·753. Where to get forms. PD-25-A application forms may be obtained from the Priorities Division of OPM in Washington or one of the field offices listed at ¶ R·322. You may reproduce the form from the copy at ¶ R·760, but only in its original form, *size,* color and phraseology. In reproducing this form for actual use, the three pages should be run on separate sheets. Form PD-25-c is also used in connection with the plan.

R·754. How ratings will be issued. In deciding what priority rating is to be granted to you, the Priorities Division will consider the following: (1) the amount of defense, or essential civilian production involved; (2) the end use of the products; (3) the materials required for production; (4) the over-all policies of the Supply Priorities and Allocations Board; and (5) the recommendations of the appropriate industrial branches of the Office of Production Management.

On the basis of *priority ratings* which your orders carry and the *use of your product* and other data called for by PD-25-A, ratings will be issued to apply to all or to any specified part of your material requirements. If all the products covered in your application are destined for defense or essential civilian use, you may be given a priority rating covering 100% of your needs. In other cases, the rating may apply only to the percentage of your material requirements which will be directly incorporated in products regarded as being of basic importance in defense or in the national economy. Note that if you qualify under this plan you may not use other ratings to obtain production materials.

observation: The size of your existing inventory will be a vital factor in determining the quantity of materials for which you will be granted a rating. Efforts to substitute and subcontract will help. Any efforts which you have made to conserve, substitute, or simplify in order to reduce the consumption of critical materials or to farm out or subcontract work should be explained in a letter accompanying the application.

R·755. What materials may be obtained. The rating assigned under the Production Requirements Plan may be used in obtaining approved quantities of materials applied for on Form PD-25-A and approved by the Priorities Division. A list of critical materials known as Materials List No. 1 (see ¶ R·759) is part of the plan. The preference rating granted may be used only to obtain materials on this list except when other items are specifically named on the application form in Section F.

observation: Where minimum commercially procurable quantities exceed total anticipated requirements, the higher quantity may be requested provided you include a footnote to that effect.

Copyright, December 6, 1941, The Research Institute of America, Inc.

R·756. Capital equipment and plant expansion. No machinery, machine tools, large equipment or other capital items may be obtained with the rating assigned under this plan. Continue to apply on Form PD-1 (see ¶ R·928) for delivery of these capital items. Ratings assigned under this plan may not be used for the improvement of, additions to, or expansion of existing property and equipment. For this purpose, use the usual project rating procedure (see ¶s Vc·300 et seq.)

R·757. Maintenance, repair and operating supplies. If you operate under this plan, you can no longer use Order P-22 (see ¶s V·716 et seq.) to obtain maintenance, repair and operating supplies. Under this plan you will get a specific rating for approved quantities of repair, maintenance and operating supplies which you are to use instead of the general A-10 rating made available by P-22.

R·757.1. Production Requirements Plan Form PD-25A revised February 25, 1942. The highly important Production Requirements Plan (see ¶ R·750 et seq.) has been dressed up. For the second calendar quarter of 1942 a revised Form PD-25A is to be used, copies being available in WPB field offices. (See ¶ R·322) The outstanding change is embodied in Section D of the Application form. Unfilled orders on the applicant's books as well as past shipments are to be reported—these too will be taken into consideration in determining the rating to be assigned.

Most changes are purely technical, but an amendment of PRP, incorporated in the revised Form PD-25A, allows a company operating under the plan to use ratings other than those assigned to it on the form to obtain "as required" or "special order" materials not ordinarily carried in stock. This may be done without any special permission from the Director of Industry Operations. AA ratings may also be extended without special permission. However, any company using ratings under this amendment must report such use to the Production Requirements Branch at the end of each month on Form PD-25G.

Applicants are now required to show a breakdown of shipments by classes of products and priority ratings. Thus, an application covering two classes of products must show the volume of each class shipped on orders bearing ratings between AA and A-1-k, between A-2 and A-9, A-10, other ratings and no ratings at all. Data on shipments should now cover the most recent three months for which figures are available, and in no case should the figures be for any period earlier than the quarter ended December 31.

Applicants are advised to show separately their unrated shipments of repair or replacement parts and special consideration will be given to such shipments in determining the volume of materials for which the applicant is entitled to a rating. Form PD-25A will specify shipments destined for the Army, Navy, Maritime Commission and for aircraft or machine tools. An additional page will give the applicant, if he has the data, an opportunity to break down his report of materials requirements into the amounts required for each class of his products.

To use the PRP, you must send an accompanying letter which includes information concerning the use of materials affected by conservation or limitation

Copyright, April 8, 1942, Research Institute.

orders. In using the ratings assigned to you under PRP, you must make out a separate purchase order for each rating used.

Companies operating under the plan which need interim assistance urgently may submit the information required by Form PD-25F by telegraph or telephone to the Interim Assistance Section of the Production Requirements Branch, WPB.

R·758. Instructions to the Production Requirements Plan—Form PD-25A (Section A). Reproduced below is the text of the instructions to the Production Requirements Plan—Form PD-25A (Section A). Note that the Sections B to G, as designated herein, are the *instructions* for the use of Sections B to G of Form PD-25-a, reproduced at ¶ R·760. An identical lettering is used in order to make for easy reference from the paragraphs in the instructions to the paragraphs in the form itself.

Form PD-25A
(2/25/42)

War Production Board
Division of Industry Operations
Bureau of Priorities
Washington, D. C.

Production Requirements Plan—Form PD-25A
Section A—Instructions

Introduction.—This plan has been designed to enable the manufacturer to present a complete picture of his operations in relation to the War Program and essential civilian needs and to state his production material requirements for these purposes. The data submitted will serve as the basis for giving the manufacturer proper priority assistance.

Applicants submitting Form PD-25A should report information on the basis of the smallest break-down of their operations which existing raw material inventory records permit. If records are not maintained for each separate class of product the form may be submitted for a department, division, or plant. When the form is submitted for a department, division, or plant, all of the classes of products manufactured in that department, division, or plant should be included in section B. *Existing raw material inventory records determine the number of separate applications which should be submitted.* For example, if *one* inventory is maintained and *one* class of products manufactured, *one* application should be submitted. If *one* inventory is maintained and two classes of products are manufactured, *one* application should be submitted. If *two* inventories are maintained and two or more classes of products are manufactured, *two* applications should be submitted, etc.

The plan is intended to give the applicant priority assistance on a calendar quarter basis. This form calls for anticipated requirements for the calendar quarter ending June 30, 1942. The earlier the form is submitted the earlier the applicant will receive priority assistance. *On all forms submitted, regardless of when the application is filed, a full quarter's requirements should be reported.* Thus, if an application for the calendar quarter of April-June is filed during the month of May, the total anticipated production requirements should be for the entire quarter and not for only the unexpired portion of the quarter. Adjustments in quantities authorized will be made where necessary by the Division of Industrial Operations.

Preference ratings authorized will be determined by the importance of the products in relation to the War Program and essential civilian needs as evidenced by preference ratings received directing delivery of the products, by the end use of the products, by the types and quantities of materials used in their manufacture, and by such policies as may be established from time to time by the War Production Board.

Section B.—*Shipments by Classes of Products.* Show in this section for the quarters indicated the dollar volume of shipments (including transfers to other departments, divisions, or plants of the same parent organization) of each class of products for which application is made. Classes of products should be listed separately, according to the applicant's customary break-down, with each group descriptive of the products included. If figures are not available giving shipments of each class of products by preference rating groups, as indicated on the form, the applicant may, on his first application, list shipments by classes of products in total only. Examples of classes of products are: Iron body valves, brass valves, steel valves, conduit fittings, industrial lift trucks, portable electric tools. Unit of measure, column 3, means the unit customarily used in measuring output such as: Pieces, gallons, tons, feet, etc. Units, as well as dollar values should be reported where indicated if records are available in both units and dollar values. However, if the nature of the products is such that units are not significant, or if records of shipments are not normally maintained in terms of units, dollar values only may be reported in this section.

Section C.—*Inventory Report Covering Classes of Products Included in Section B.* Fill in all columns in this section. If existing inventory records are not maintained for the classifications in column 1, use the classifications shown on applicant's records. The figures reported here must be supported by book records or other data available for inspection.

Show in the spaces indicated the basis used in determining the value of inventory such as cost, lower of cost or market, market, etc.

Raw materials means all materials, parts, or assemblies owned by the applicant which have not been changed in condition or form by him, and which will be incorporated in the classes of products shown in section B.

Work in process means material which has been changed in condition or form by the applicant and which will be incorporated in the classes of products shown in section B.

Finished goods means the classes of products shown in section B owned by the applicant which are in a completely finished condition, including finished goods on consignment.

Note—Include, in all cases, material owned by the applicant, whether in or out of applicant's plant. Where possible, work in process and finished goods should be given in terms of material cost only—otherwise on basis of records maintained. Show basis used where indicated on the form.

Supplies means all maintenance, repair, and operating supplies used in the department, division, or plant in which the classes of products included in section B are manufactured. *Do not* include materials which are incorporated in the products shown in section B or materials which are distributed or transported out of the plant. If more than one application is submitted for a department, division, or plant, report supplies only once indicating the application on which reported.

Other means any inventory maintained by the applicant for the production of the classes of products shown in section B which is not provided for in the preceding classifications.

Section D.—*Report of Analysis of Shipments and Unfilled Orders.* Part 1.—*Classification by Preference Ratings.* Show where indicated shipments of the classes of products included

in section B for the most recent 3 months for which figures are available, and *unfilled orders* as of the most recent date available, identified by the classifications indicated in column (a).

Include opposite each of the various preference ratings only dollar volumes supported by preference rating certificates, preference rating orders, or properly endorsed purchase orders in the possession of the applicant.

The larger the volume shown opposite "defense status undetermined" the more difficult it is to obtain a clear picture of the operations of the applicant in relation to the War Program. Therefore, the applicant should obtain information covering the largest possible proportion of his dollar volume. In those cases where information has not been obtained covering 100 percent of the total dollar volume of shipments, an explanation should be given.

Part 2.—*Classification by Industry or End Use.* Many manufacturers may have few rated orders although their products may be essential to the national economy. These manufacturers may be entitled to a high preference rating as well as a company working directly on war orders. For this reason each applicant is required to list his shipments for the same 3-month period as in part 1, broken down by the industries to which his products were sold or the purpose for which his products are used. If possible the applicant should show a break-down of his shipments to the Army, Navy, Maritime Commission, and the aircraft and machine tool industries, following these classifications by such others as can be supplied from available records. *Also show in the space indicated the dollar volume of shipments to distributors for stock. Do not include in this figure shipments made through distributors but shipped direct to the consumer.*

Note.—Special consideration is given to materials necessary for the production of service and repair parts for maintaining and repairing the products listed in section B. In section D, part 1, show as a separate figure *only* the *unrated* portion of the total service and repair parts. In section D, part 2, show as a separate classification the *total* volume of service and repair parts, both rated and unrated.

Section E.—*Report of All Materials Shown on Materials List No. 1, Revised.* Accompanying this form is Materials List No. 1, Revised. Each of the materials purchased by the applicant in the form in which it appears on this list and used by him, whether physically incorporated in the classes of products shown in section B or used for maintenance and repair or operating supplies, must be listed in column 1 in the order in which it appears on the list. *All columns must be filled in for each item listed in column 1.*

Column 1.—In describing materials, use the same description given in Materials List No. 1, Revised. *All materials shown on this list used by the applicant in the manufacture of the products included in section B must be reported in this section whether the material is one for which the applicant requires delivery during the quarter ending June 30, 1942, or whether it is one on which the inventory is sufficient to cover anticipated requirements for the quarter.* Where the applicant carries a large number of types or sizes of an item in stock, he should indicate after the description of the material, part, or assembly the *total* number of sizes carried in stock.

Column 3.—Use the unit of measure shown in Materials List No. 1, Revised, except that pounds may be substituted for tons where small quantities are involved. Express columns 4 through 8 in the same unit used in column 3.

Column 4.—Total inventory of *all types and sizes* on hand at the beginning of the quarter covered.

Column 6.—The total quantity of material put into production during the quarter covered.

Column 7.—Total inventory of *all types and sizes* on hand at end of quarter covered.

Note.—Quantities shown in column 4 plus column 5 minus column 6 should equal quantities shown in column 7. Otherwise give an explanation.

Column 8.—The total quantity of material which, if it were available, would be put into production both for war and civilian purposes during April, May, and June, 1942, *regardless of inventories. This does not mean anticipated purchases but should represent production requirements.* For those items in which the quantities shown in column 8 exceed the quantities shown in column 6, give an explanation in an accompanying letter. Such explanation should be based on figures indicating increases in production capacity, personnel, hours worked, etc.

Section F.—*Report of Other Materials for Which Preference Rating Is Requested.* Include here all parts and assemblies (incorporated in the products listed in section B) and materials *not* on Materials List No. 1, Revised, for which preference ratings are required. Do not include materials listed in section E or materials which can be obtained without preference rating assistance. Group together similar items. List separately any item which represents 10 percent or more of the total dollar value of all items shown in this section. Each item and group must be sufficiently described to give a reasonable understanding of the items involved.

Materials used in packaging and shipping the classes of products shown in section B and which are transported with the product should be included in section F if a rating is desired. Show separately ferrous packaging and shipping materials, or packing and shipping materials in which ferrous materials such as nails and wire are incorporated.

Note.—It is desired that *dollar values* be shown in columns 4 through 8 for each item or group of items listed in column 1. However, in cases where no records of dollar values are available, the unit of quantity used in purchasing the materials may be reported in all columns. In cases where dollar values are *not* reported in column 8, columns 3 and 9 must be filled in. Columns 4 through 8 should be expressed in the same unit as is used in column 3.

Show the *total* dollar value of column 8 in the space indicated at the bottom of column 9.

Section G.—*Report of Supplies.* Where maintenance and repair material and operating supplies are purchased in the form listed on Materials List No. 1, Revised, such materials must be listed separately in section E. Other such materials or supplies should be listed in section G, deducting the value of the materials listed in section E.

None of the money allowed in section G may be used to purchase any item in the form listed in Materials List No. 1, Revised, except with the specific authorization of the Division of Industry Operations through the Production Requirements Branch.

General

If any specific materials listed in column 1 of sections E and F are used exclusively for orders carrying high preference ratings, such materials may be given special treatment in assigning ratings. Where such a situation exists, explain in the accompanying letter, giving complete details, including lowest rating which covers shipments of the products in which the material is incorporated.

As an additional aid in relating specific materials and quantities to specific products, there is included in the form "sections E and F supplement." This auxiliary sheet allows a manufacturer to breakdown his total requirements in terms of the classes of products listed in section B. This sheet is optional, but its use is recommended, where applicable, according to the heading on the sheet.

Inventories.—It is the policy of the War Production Board that inventories be maintained at the minimum practicable level. When reviewing the application, the inventories reported in column 7 of section E are compared with the anticipated requirements reported in column 8. If the applicant believes that a comparison of these quantities does not adequately portray his position with respect to certain items because of unbalanced inventories or other reasons, he may submit additional information in a letter.

The letter should state for each of these items the total quantity on hand at the end of the preceding 3-month period of only those *types or sizes* (included in each item) for which *no* delivery is required during the quarter ending June 30, 1942, and the total anticipated quantity to be put into production of only those types or sizes.

Deliveries Beyond June 30, 1942.—In cases where deliveries must be scheduled beyond June 30, 1942, an additional Form PD-25A may be attached covering requirements for the quarter ending September 30, 1942. On this application the total anticipated requirements for this quarter *only* should be indicated in column 8 and the estimated value of column 8 should be indicated in column 9 of sections E and F. *All other columns and sections should be left blank.* Delivery of these quantities is not to be scheduled before the quarter beginning July 1, 1942.

When later submitting the *regular* application for the quarter ending September 30, 1942, fill in columns 4 through 7 in the usual way. Show in column 8 the *total* anticipated requirements without regard to the quantities previously authorized. Adjustments will be made for the quantities previously authorized.

Conservation and Limitation Orders.—Conservation orders such as M-9-c for copper have been and may be issued from

Copyright, April 8, 1942, Research Institute.

time to time, curtailing or prohibiting the use of certain materials for certain purposes. Limitation orders have also been issued limiting the production of certain products. Compliance with these orders is always mandatory upon all users of the materials covered. In reporting anticipated requirements in columns 8 and 9 of sections E and F, do not show larger quantities than permitted under the provisions of any conservation or limitation order. (See (7) in Certification.)

Applications containing requests for materials restricted by conservation orders should be accompanied by the following additional information concerning the use of these materials in the products included in section B:

1. Part in which material is incorporated, products into which part enters, and use of product in which material is incorporated, or purpose for which material is used.

2. Substitutions accomplished to date, amount of material saved per month compared with former consumption, further substitutions anticipated or reasons why no substitutions can be made including specifications number of Army or Navy.

3. Form, grade, type, or alloy of material.

It is absolutely essential that this information be furnished when submitting Form PD-25A application before quantities of such materials can be authorized.

Minimum Procurable Quantities.—Minimum commercially procurable quantities may be shown in column 8, where this quantity exceeds total anticipated requirements, provided a footnote is made on the form to this effect.

Capital Equipment and Plant Expansion.—No machinery, machine tools, large equipment, or other capital items may be obtained by the preference rating or ratings assigned. Preference ratings for the delivery of such capital items should be obtained by the present Form PD-1A procedure. No material for the improvement of, additions to, or expansions of existing property or equipment may be obtained by using the preference rating or ratings assigned. Preference ratings for the delivery of such materials should be obtained by the usual project rating procedure.

Reproduction.—Form PD-25A may be reproduced, but only in its original form, *size,* and phraseology.

Supporting Data.—Records supporting data reported in all sections of this form must be available for inspection.

Affiliated Sources.—If the applicant obtains his materials or supplies from a central stores, warehouse, or other division or company which is affiliated with or under common control with the applicant, give in an accompanying letter the name and address of such company, the materials customarily obtained from it, and state the relationship of the applicant to such company. Failure to make such statement will constitute a representation that materials and supplies are not obtained from any such source.

The Accompanying Letter.—Mention has been made in various parts of the foregoing instructions that additional information be submitted in a letter accompanying the application. Such letter should be submitted in duplicate.

Five copies of Form PD-25A must be submitted. The *original* copy must be certified by an official duly authorized for such purpose.

All applications, reports, and other communications must, unless otherwise directed, be addressed to War Production Board, Washington, D. C., Ref: Production Requirements Branch.

How to Operate Under the Plan

If an application is approved a Preference Rating Order will be issued to the applicant setting forth the terms on which ratings may be applied by the applicant to his suppliers and by those suppliers to their suppliers. Also one copy of Form PD-25A will be returned to the applicant showing the quantities of material and the preference ratings authorized.

The applicant may apply the rating only to the kinds and quantities of material authorized on Form PD-25A.

Use of the Rating by the Applicant.—The applicant in order to apply a rating assigned, places on each purchase order to which he wishes to apply the rating, the following statement manually signed by an official duly authorized for the purpose, specifying the rating assigned, the Preference Rating Order number, and the serial number:

Endorsement

"Preference Rating A- is applied hereto under Preference Rating Order No. P-....., Serial No(s) ....., with the terms of which Order the undersigned is familiar. This rating may be extended *only* upon the terms of said Order, copies of which may be obtained from the undersigned or from any office of the War Production Board.

.....
(Name of Producer or Supplier)

By.....
(Duly Authorized Official)"

Each purchase order carrying the above endorsement must include only quantities of materials to which a Preference Rating applies. If a purchase order is placed for unrated quantities of materials, a separate purchase order must be used. If more than one rating has been assigned, a separate purchase order must be used for each rating. If ratings have been assigned on a percentage basis, such percentages apply to the authorized quantities of each material unless there is specific indication to the contrary. Thus, if 1,000 units of a specified material are authorized on the basis of a rating pattern of 25% A-1-A, 25% A-3, and 50% A-9, the applicant should place separate purchase orders for each of these ratings. Thus, he may apply the rating of A-1-A to the purchase of 250 units, the A-3 rating to the purchase of 250 units, and the A-9 rating to the purchase of the remaining 500 units. Do not indicate the percentage rating pattern on any single purchase order. However, the applicant may apply the lowest rating assigned to the purchase of the entire quantity authorized, and later, if necessary in order to expedite the delivery of a portion of the material may replace the lower rating with one of the higher ratings, up to the quantity covered by such higher rating. A preference rating may be applied to purchase orders which have been placed prior to the issuance of the Preference Rating Order by delivering to the supplier a *duplicate* purchase order carrying the above endorsement.

Use of the Rating by a Supplier.—A supplier who has received a purchase order endorsed in the manner provided above may extend the rating in accordance with the provisions and subject to the limitations set forth in the Preference Rating Order. Printed copies of the Preference Rating Order may be obtained either from the applicant or from the War Production Board.

Records.—In addition to the records required to be kept under Priorities Regulation No. 1, amended, endorsed copies of all purchase orders delivered or received must either be segregated, or kept in a form so that they can readily be segregated, for inspection by representatives of the War Production Board.

It is the intent of the Production Requirements Plan to furnish a single over-all instrument to be used to purchase *all* materials to be used in the production of the classes of products listed in section B. For this reason no preference ratings other than those authorized on Form PD-25A may be used by a producer operating under the plan to obtain deliveries of any of said materials, unless specific authorization is granted, except that the applicant may:

(1) Extend any AA rating without specific authorization.

(2) Extend other preference ratings to obtain any item which is purchased on an "as required" or "special order" basis if no stock is maintained or will be maintained of such items.

Note.—All such extensions must be made according to the terms and conditions governing the extension of each of such ratings.

Where materials, parts, or assemblies have been purchased as outlined in (1) and (2) above the applicant will be required to submit a report each month on Form PD-25G, copies of which will be sent to the applicant with the authorized copy of Form PD-25A.

It is recognized that *after* authorization new situations may arise justifying changes in quantities allowed or ratings assigned. Form PD-25F, revised, copies of which will be returned to the applicant with his authorized copy of Form PD-25A, has been designed to supply information needed to grant additional assistance when justified. This form is self-explanatory and carries its own instructions. When the applicant receives Form PD-25F, revised, he should read it carefully and thoroughly familiarize himself with its provisions. Form PD-25F applications will always receive the promptest attention.

In cases of emergency, information required by this form may be submitted by telephone or telegraph to the Expediting Unit of the Production Requirements Branch, and action will be taken the same day.

R·759

War Production Board
Division of Industry Operations
Bureau of Priorities
Washington, D. C.

Materials List No. 1
(Revised Feb. 1, 1942)—For use in connection with Form PD-25A

Section I—Iron and Steel

(Unit of measure is Short Tons except for small quantities which should be expressed in pounds and the pounds specifically identified.)

Iron

Wrought, bars (rounds, squares, flats, all sizes).
Castings, gray.
Castings, malleable.
Castings, other.
Pig.
Wrought, sheet and strip.
Wrought, plates.
Pipes and tubes.
Ore.
Scrap—iron and steel—purchased.
Scrap—iron and steel—home.

Ferro Alloys.

Ferrochromium.
Ferrocolumbium.
Ferromanganese.
Ferromolybdenum.
Ferronickel.
Ferrotitanium.
Ferrotungsten.
Ferrouranium.
Ferrovanadium.
Ferrozirconium.
Ferro-carbon-tatanium.
Ferrophosphorus.
Ferrosilicon.

Steel.

(The following list of grades of steel is to be used *only* in connection with those classifications of steel listed which require grade to be shown.)

Nitralloy.
Low alloy high tensile plate, show analysis if specified.
Armor grade, homogeneous.
Armor grade, face-hardened.
Valve.
Hadfield manganese.
Stainless, straight chrome.
Stainless, chrome nickel.
Other, not otherwise classified.
Plain carbon, equivalent to WD Spec. 10XX.
Free cutting, equivalent to WD Spec. 11XX.
Free cutting, equivalent to WD Spec. 13XX.
Nickel, equivalent to WD Spec. 20XX.
Nickel, equivalent to WD Spec. 21XX.
Nickel, equivalent to WD Spec. 23XX.
Nickel, equivalent to WD Spec. 25XX.
Nickel chromium, equivalent to WD Spec. 31XX.
Nickel chromium, equivalent to WD Spec. 32XX.
Nickel chromium, equivalent to WD Spec. 33XX.
Nickel chromium, equivalent to WD Spec. 34XX.
Molybdenum, equivalent to WD Spec. 41XX.
Molybdenum, equivalent to WD Spec. 43XX.
Molybdenum, equivalent to WD Spec. 46XX.
Molybdenum, equivalent to WD Spec. 48XX.
Chromium, equivalent to WD Spec. 51XX.
Chromium, equivalent to WD Spec. 52XXX.
Chrome-vanadium, equivalent to WD Spec. 6XXX.
Tungsten, equivalent to WD 71XXX.
Tungsten, equivalent to WD Spec. 72XXX.
Tungsten, equivalent to WD Spec. 73XXX.
Tungsten, equivalent to WD Spec. 74XXX.
Tungsten tool.
Silicon manganese, equivalent to WD Spec. 9XXX.

Bars, rounds, squares, flats, hot-rolled, for concrete reinforcing bars, grade unnecessary.
Bars, other than reinforcing bars, rounds, squares, flats, hot-rolled, up to 2" inclusive (round equivalent) including special sections and angles but excluding tees, zees, channels, and beams which should be shown under structural shapes, show grade.
Bars, rounds, squares, flats, hot-rolled, over 2" to 4" inclusive (round equivalent) including special sections and angles under 3" maximum cross-sectional area but excluding angles 3" and over maximum cross-sectional area as well as tees, zees, channels, and beams which should be shown under structural shapes, show grade.
Bars, rounds, squares, flats, hot-rolled, over 4" (round equivalent) including special sections but excluding angles, tees, zees, channels, and beams which should be shown under structural shapes, show grade.
Bars, rounds, squares, special sections, and flats, cold-finished, up to 2" inclusive (round equivalent), show grade.
Bars, rounds, squares, flats, and special sections, cold-finished, over 2" to 4" inclusive (round equivalent), show grade.
Bars, rounds, squares, flats, and special sections, cold-finished, over 4" (round equivalent), show grade.
Wire and wire products, plain wire including coated wire not elsewhere classified, show grade.
Wire and wire products, barbed wire, grade unnecessary.
Wire and wire products, galvanized wire, grade unnecessary.
Wire and wire products, wire rope and strand, grade unnecessary.
Wire and wire products, telephone and telegraph wire, grade unnecessary.
Wire and wire products, wire rods, hot-rolled in coils up to and including 47/64ths-inch diameter, show grade.
Wire and wire products, all other, grade unnecessary.
Welding rod and wire, show grade.
Forgings, use rough weight of forgings, show grade.
Castings, armor, up to 350 lb. inclusive, show grade.
Castings, armor, over 350 lb. to 1,300 lb. inclusive, show grade.
Castings, armor, over 1,300 lb., show grade.
Castings, other than armor, show grade.
Ingots and slabs, show grade.
Structural shapes, light, under 3" maximum cross-sectional dimension, grade unnecessary.
Structural shapes, heavy, American standard, 3" and over maximum cross-sectional dimension, grade unnecessary.
Structural shapes, heavy, wide flange, 3" and over maximum cross-sectional dimension, grade unnecessary.
Sheet and strip, hot-rolled, up to 6" inclusive, show grade.
Sheet and strip, hot-rolled, over 6" to 24" inclusive, show grade.
Sheet and strip, hot-rolled, over 24" to 48" inclusive, show grade.
Sheet and strip, hot-rolled, over 48" to 70" inclusive, show grade.
Sheet and strip, hot-rolled, over 70", show grade.
Sheet and strip, cold-rolled, up to 6" inclusive, show grade.
Sheet and strip, cold-rolled, over 6" to 24" inclusive, show grade.
Sheet and strip, cold-rolled, over 24" to 48" inclusive, show grade.
Sheet and strip, cold-rolled, over 48" to 70" inclusive, show grade.
Sheet and strip, cold-rolled, over 70", show grade.
Sheet and strip, galvanized, grade unnecessary.
Plates, sheared, width to 58" inclusive, under 0.625" thick, or lighter than 25.5 lb. per sq. ft., show grade.
Plates, sheared, width over 58" to 100" inclusive, under 0.625" thick, or lighter than 25.5 lb. per sq. ft., show grade.
Plates, sheared, width over 100", under 0.625" thick, or lighter than 25.5 lb. per sq. ft., show grade.
Plates, sheared, width up to 58" inclusive, 0.625" thick and thicker, or 25.5 lb. per sq. ft. and heavier, show grade.
Plates, sheared, width over 58" to 100" inclusive, 0.625" thick and thicker, or 25.5 lb. per sq. ft. and heavier, show grade.
Plates, sheared, width over 100", 0.625" thick and thicker, or 25.5 lb. per sq. ft. and heavier, show grade.
Plates, universal, show grade.
Skelp, show grade.
Pipes and tubes, mechanical tubing, up to 1" outside diameter inclusive, show grade.
Pipes and tubes, mechanical tubing, over 1" outside diameter to 2" outside diameter inclusive, show grade.
Pipes and tubes, mechanical tubing, over 2" outside diameter to 4" outside diameter inclusive, show grade.
Pipes and tubes, mechanical tubing, over 4" outside diameter, show grade.

Copyright, April 8, 1942, Research Institute.

Section I—Iron and Steel *(Cont'd)*

Pipes and tubes, boiler tubes, under 1½" outside diameter, show grade.
Pipes and tubes, boiler tubes, 1½" and over outside diameter, show grade.
Pipes and tubes, standard pipe, show grade.
Pipes and tubes, line pipe, show grade.
Pipes and tubes, oil country goods, show grade.
Blooms and billets, show grade.
Rails, over 60 lb. per yard, grade unnecesary.
Rails, all other, grade unnecessary.
Piling, load bearing, H, grade unnecessary.
Piling, sheet, grade unnecessary.
Tie plates and track accessories, including track spikes, grade unnecessary.
Tin mill products, including black plate, tin plate, and terne plate, grade unnecessary.
Wheels and axles, use rough weight of wheels and/or axles for which raw steel weight is unknown, show grade.

Section II—Nonferrous Metals

(Unit of measure is pounds unless otherwise indicated in parentheses after the item.)
Aluminum bar, including rod, but excluding requirements for rivet stock and for rolled shapes.
Aluminum wire, including wire for armored cable.
Aluminum electrical transmission cable.
Aluminum forgings, including hammer and press forgings and forged pistons.
Aluminum sand castings, heat-treated.
Aluminum sand castings, not heat-treated.
Aluminum permanent and semipermanent mold castings.
Aluminum permanent and semipermanent mold castings, not heat-treated.
Aluminum die castings.
Aluminum ingot, including pig, billets, slabs, shots, cones, rings, and other raw unmanufactured forms.
Aluminum rolled structural shapes.
Aluminum extruded shapes, 2S 3S, 53S, and 61S alloys.
Aluminum extruded shapes, all alloys except 2S, 3S, 53S, and 61S.
Aluminum sheet, including strip, plate, and stock required for stampings, spinnings, and pressings, 2S and 3S alloys.
Aluminum sheet, including strip, plate, and stock required for stampings, spinnings, and pressings, all alloys except 2S and 3S.
Aluminum tubing, 2S and 3S alloys.
Aluminum tubing, all alloys, except 2S and 3S.
Aluminum powder, dry, flake, for incendiaries.
Aluminum powder, dry, granular, for incendiaries.
Aluminum powder, dry, grain, for incendiaries.
Aluminum powder, dry, for paint.
Aluminum powder, paste, for paint.
Aluminum foil.
Aluminum impact extrusions.
Aluminum rivets, including nails and cold upset products.
Aluminum stock for foil and formed shapes, 2S and 3S alloys.
Aluminum stock for foil and formed shapes, all alloys, except 2S and 3S.
Aluminum alloys, specify.
Aluminum scrap, home.
Aluminum scrap, purchased.
Aluminum not otherwise classified, specify form.
Antimony alloys, specify.
Antimony as metal.
Arsenic.
Beryllium in alloys, specify.
Beryllium as metal.
Bismuth in alloys, specify.
Bismuth as metal.
Brass bars.
Brass rod and wire.
Brass forgings.
Brass castings.
Brass shapes, including extruded or drawn.
Brass sheet, including strips, rolls, and plates.
Brass tubing or pipe under 3" outside diameter
Brass tubing or pipe 3" to 6" outside diameter.
Brass tubing or pipe over 6" outside diameter.
Brass scrap—home.
Brass scrap—purchased.
Bronze bars.
Bronze rod and wire.
Bronze forgings.
Bronze castings.
Bronze shapes, including extruded or drawn.
Bronze sheet, including strips, rolls, and plates.
Bronze tubing or pipe under 3" outside diameter.

Section II—Nonferrous Metals *(Cont'd)*

Bronze tubing or pipe 3" to 6" outside diameter.
Bronze tubing or pipe over 6" outside diameter.
Bronze powder.
Bronze scrap—home.
Bronze scrap—purchased.
Cadmium, unalloyed, anodes (including patented shapes), ingots, pigs, slabs.
Cadmium alloys, specify.
Chromium alloys, specify.
Chromium metal.
Cobalt alloys, specify.
Cobalt metal.
Columbium alloys, specify.
Copper rod and wire.
Copper forgings.
Copper castings.
Copper refinery shapes, including bars.
Copper fabricated shapes.
Copper sheet, including strips, rolls, and plates.
Copper tubing or pipes under 3" outside diameter.
Copper tubing or pipes 3" to 6" outside diameter.
Copper tubing over 6" outside diameter.
Copper scrap—home.
Copper scrap—purchased.
Copper alloys, specify.
Iridium (troy ounce).
Lead, antimonial.
Lead, pigs, bars, and blocks, only.
Lead, other, specify.
Lead, scrap.
Lead alloys, specify.
Lithium, alloys, specify.
Lithium metal.
Manganese alloys, specify.
Magnesium, bar and rod.
Magnesium forgings.
Magnesium sand castings, heat-treated.
Magnesium permanent and semipermanent mold castings, heat-treated.
Magnesium permanent and semipermanent mold castings, not heat-treated.
Magnesium die castings.
Magnesium ingot, including pigs, billets, slabs, extruded sticks, and other raw, unmanufactured forms.
Magnesium shapes, extruded, except bar, rod, pipe, sticks, and tubing.
Magnesium sheet, strip and plate.
Magnesium pipes and tubing.
Magnesium rivets.
Magnesium powder, through 80 mesh (Army, Grade A).
Magnesium powder, through 200 mesh (Army, Grade B).
Magnesium powder, through 48 and retained on 100 mesh (Army, Grade C).
Magnesium powder, through 100 and retained on 150 mesh (Navy grading).
Magnesium powder, through 35 and retained on 80 mesh (Navy grading).
Magnesium powder, through 45 and retained on 80 mesh (Navy grading).
Magnesium powder, through 80 and retained on 100 or 150 mesh (Navy grading).
Magnesium alloys, specify.
Magnesium scrap.
Magnesium not otherwise classified, specify form.
Mercury as metal.
Molybdenum alloys, specify.
Molybdenum metal.
Monel bar and rod.
Monel wire.
Monel castings.
Monel shapes.
Monel sheets.
Monel tubing.
Nickel bar and rod.
Nickel wire.
Nickel castings.
Nickel shapes.
Nickel sheet.
Nickel tubing.
Nickel alloys, specify.
Nickel silver bars and rods.
Nickel silver wire.
Nickel silver forgings.
Nickel silver castings.
Nickel silver shapes, including extruded or drawn.
Nickel silver sheets, including strips, rolls, and plates.
Nickel silver tubing.

Section II—Nonferrous Metals *(Cont'd)*

Palladium (troy ounce).
Platinum (troy ounce).
Radium (milligram).
Rhodium (troy ounce).
Ruthenium (troy ounce).
Tantalum metal.
Tin bars, blocks, ingots, and pigs, only.
Tin alloys, specify.
Titanium alloys, specify.
Tungsten powder.
Tungsten alloys, specify.
Tungsten metal.
Uranium alloys, specify.
Uranium metal.
Vanadium alloys, specify.
Zinc castings.
Zinc slab.
Zinc sheet.
Zinc dust.
Zinc scrap.
Zinc alloys, specify.
Zirconium powder.
Zirconium alloys, specify.
Zirconium metal.
Cupro nickel.
Silicon.
Solder.
Type metal, specify linotype, foundry type.
Metal carbides—also see chemicals.

Section III—Nonmetallic Minerals

(Unit of measure is pounds unless otherwise indicated in parentheses after the item.)

Asbestos, chrysotile.
Asbestos, amosite.
Asbestos, blue.
Ceramic, fiber glass.
Ceramic, Kyanite, Sillemanite, Andalusite, and Dumortierite.
Ceramic, Micalex.
Ceramic, optical glass including crown, flint and plain.
Ceramic, Steatite.
Graphite, amorphous, natural, Ceylon or equivalent.
Graphite, amorphous, synthetic.
Graphite, flake, Madagascar or equivalent.
Graphite, Ceylon lump, chip and dust, or equivalent.
Industrial diamonds (carat).
Mica, built up, muscovite, for generators.
Mica, built up, muscovite, for magnetos.
Mica, built up, muscovite, for motors.
Mica, built up, muscovite, for switchboards.
Mica, built up, muscovite, for transformers.
Mica, built up, muscovite, other.
Mica, built up, phlogopite, for generators.
Mica, built up, phlogopite, for motors.
Mica, built up, phlogopite, for switchboards.
Mica, built up, phlogopite, other.
Mica, block, sheet, muscovite, gage glass.
Mica, block, sheet, muscovite, including splits, fair stained or better, No. 4 or larger.
Mica, block, sheet, muscovite, including splits, fair stained or better, No. 4½ to 5½.
Mica, block, sheet, muscovite, including splits, fair stained or better, No. 6 or smaller.
Mica, block, sheet, muscovite, including splits, good stained, No. 4 or larger.
Mica, block, sheet, muscovite, including splits, good stained, No. 4½ to 5½.
Mica, block sheet, muscovite, including splits, good stained, No. 6 or smaller.
Mica, block, sheet, muscovite, including splits, less than good stained, No. 4 or larger.
Mica, block, sheet, muscovite, including splits, less than good stained, No. 4½ to 5½.
Mica, block, sheet, muscovite, including splits, less than good stained, No. 6 or smaller.
Quartz crystals.

Section IV—Agricultural, Animal, and Forest Products

(Unit of measure is pounds unless otherwise indicated in parentheses after the item.)

Fibers, brush, vegetable.
Burlap.
Osnaburgs, cotton.
Corkwood.

Sec. IV—Agricultural, Animal & Forest Products *(Cont'd)*

Cork, milling.
Cork, grinding.
Cotton, long staple, over 1⅛", American upland.
Cotton, long staple, over 1⅛", American-Egyptian or equal.
Flax.
Hemp.
Hides, cattle, grain (sq. ft.).
Hides, cattle, splits (sq. ft.).
Hides, calf, including kips (sq. ft.).
Hides, horse, grain (sq. ft.).
Hides, horse, splits (sq. ft.).
Hides, pony (sq. ft.).
Skins, sheep (sq. ft.).
Skins, lamb (sq. ft.).
Skins, sheep, shearing (sq. ft.).
Skins, goat (sq. ft.).
Bristles, hog, soft, under 3", dressed basis.
Bristles, hog, soft, 3" and over, dressed basis.
Bristles, hog, stiff and semistiff, under 3", dressed basis.
Bristles, hog, stiff and semistiff, 3" and over, dressed basis.
Istle.
Jute.
Kapok.
Fiber, Manila, grades A to J-1 Davao, Becker test 50 or higher.
Fiber, Manila, grades J-1 regular to S-3, Becker test under 50.
Nylon.
Rayon, high tenacity yarns, Nordura, Cordura, Tenesco Fortesan.
Rayon, other.
Rubber, crude.
Rubber, latex.
Rubber, reclaimed.
Rubber scrap.
Silk, raw (in gum).
Silk, noils (in gum).
Silk, waste.
Sisal, Henequen or Maguey.
Sunn Fiber.
Tanning materials, vegetable.
Tanning materials, oils.
Wool, apparel, 40–368, scoured basis.
Wool, apparel, 44S, scoured basis.
Wool, apparel, 50S, scoured basis.
Wool, apparel, 56S, scoured basis.
Wool, apparel, 58S, scoured basis.
Wool, apparel, 58–60S, scoured basis.
Wool, apparel, 60S, scoured basis.
Wool, apparel, 64S, scoured basis.

Section V—Chemicals

(Unit of measure is pounds unless otherwise indicated in parentheses after the item).

Acacia.
Acetaldehyde.
Acetic anhydride.
Acetone.
Acetyl chloride.
Acetylene (cu. ft.).
Acetylene tetrachloride.
Acid, acetic, glacial.
Acid, acetic, other.
Acid, arsanilic.
Acid, arsenic.
Acid, boric.
Acid, chlorosulfonic.
Acid, chromic.
Acid, citric.
Acid, cresylic, crude, high boil.
Acid, cresylic, crude, low boil.
Acid, cresylic, refined, high boil.
Acid, cresylic, refined, low boil.
Acid, formic.
Acid, hydrochloric, 18°.
Acid, hydrochloric, 20°.
Acid, hydrochloric, 22°.
Acid, hydrochloric, C. P.
Acid, hydrochloric, anhydrous.
Acid, hydrofluoric.
Acid, hypophosphoric.
Acid, lactic, 22 percent dark.
Acid, lactic, 22 percent light.
Acid, lactic, 40 percent dark.
Acid, lactic, 40 percent light.

Copyright, April 8, 1942, Research Institute.

Section V—Chemicals *(Cont'd)*

Acid, lactic, U. S. P. (food grade).
Acid, lactic (plastic).
Acid, maleic.
Acid, monochloracetic.
Acid, nitric, 36°.
Acid, nitric, 38°.
Acid, nitric, 40°.
Acid, nitric, 42°.
Acid, nitric, C. P.
Acid, oleic.
Acid, oxalic.
Acid, parahydroxybenzoic.
Acid, paranitrobenzoic.
Acid, phosphoric, 50 percent.
Acid, phosphoric, 75 percent.
Acid, phosphoric, 85 percent (U. S. P.).
Acid, phthalic.
Acid, picric.
Acid, pyrogallic.
Acid, salicylic.
Acid, sebacic.
Acid, stearic.
Acid, succinic.
Acid, sulfuric, 60°.
Acid, sulfuric, 93 percent.
Acid, sulfuric, 98 percent.
Acid, sulfuric, oleum (fuming).
Acid, tannic.
Acid, tartaric.
Acid, trichloracetic.
Acid, abietic.
Acid, acrylic.
Acid, benzene sulfonic.
Acid, benzoic.
Acid, butyric.
Acid, cinnamic.
Acid, furoic.
Acid, gallic.
Acid, gluconic.
Acid, hydrobromic.
Acid, hydriodic.
Acid, hydrocyanic.
Acid, hydrofluosilicic.
Acid, isobutyric.
Acid, lauric.
Acid, levulinic.
Acid, malic.
Acid, metaphosphoric.
Acid, naphthionic.
Acid, palmitic.
Acid, perchloric.
Acid, propionic.
Acid, pyroligneous.
Acid, sulfanilic.
Acid, sulfonated, lauric.
Acid, sulfurous.
Acid, uric.
Acid, vinyl formic.
Acrylate sheet.
Acrylonitrile.
Agar-agar.
Albumin, includes egg, blood, and other types.
Alcohol, amyl, iso.
Alcohol, amyl, normal.
Alcohol, amyl, secondary.
Alcohol, amyl, mixed.
Alcohol, benzyl.
Alcohol, butyl, iso.
Alcohol, butyl, normal.
Alcohol, butyl, secondary.
Alcohol, butyl, tertiary.
Alcohol, diacetone.
Alcohol, ethyl, 95 percent equivalent (gallon).
Alcohol, completely denatured, various formulas (gallon).
Alcohol, specially denatured, various formulas (gallons).
Alcohol, isopropyl (gallon).
Alcohol, methyl (gallon).
Alcohol, allyl.
Alcohol, amyl, tertiary.
Alcohol, furfuryl.
Alcohol, polyvinyl.
Aldehyde ammonia.
Aldol.
Alizarine.
Allyl chloride.
Aluminum chloride, anhydrous.
Aluminum chloride, commercial.
Aluminum oxide.

Section V—Chemicals *(Cont'd)*

Aluminum stearate.
Aluminum sulfate.
Aluminum acetate basic.
Aluminum fluoride.
Aluminum hydrate.
Aluminum nitrate.
Aminophenol, para isobutyl.
Aminophenol, para monobenzene.
Aminophenol, para normal butyl.
Aminophenol, para N. N. dibutyl.
Aminophenol, sulfate para monomethyl.
Ammonia, anhydrous.
Ammonia, aqua, 26°.
Ammonia, refrigerating.
Ammonium aluminum sulfate.
Ammonium bicarbonate.
Ammonium bichromate.
Ammonium carbamate.
Ammonium carbonate.
Ammonium chloride.
Ammonium citrate.
Ammonium fluoride.
Ammonium nitrate.
Ammonium perchlorate.
Ammonium persulfate.
Ammonium phosphate.
Ammonium picrate.
Ammonium sulfate.
Ammonium sulfide.
Ammonium thiosulfate.
Ammonium bifluoride.
Ammonium bitartrate.
Ammonium diphosphate.
Ammonium monophosphate.
Ammonium oxalate.
Ammonium triphosphate.
Amyl acetate.
Amyl nitrate.
Aniline.
Anisaldehyde.
Anthracene.
Anthraquinone.
Antimony oxide.
Antimony sulfide.
Antimony trichloride.
Antimony potassium tartrate.
Aniline chloride.
Aniline sulfate.
Argols.
Arsenic disulfide.
Arsenic trichloride.
Arsenic trioxide.
Asphaltum.
Barium carbonate.
Barium chlorate.
Barium chloride.
Barium hydroxide.
Barium nitrate.
Barium oxide.
Barium perchlorate.
Barium peroxide.
Barium sulfate.
Barium antimony tartrate.
Barium chromate.
Barium sulfide.
Benzaldehyde.
Benzene, commercial, 90 percent (gallon).
Benzoyl chloride.
Benzyl chloride.
Beta, methylnaphthalene.
Beta, naphthol.
Beta, picoline.
Borax.
Bromine.
Butadiene.
Butyl-acetate—N.
Blood, dried.
Cadmium iodide.
Cadmium oxide.
Cadmium selenide.
Cadmium sulfide.
Cadmium sulfate.
Calcium acetate.
Calcium carbide.
Calcium carbonate.
Calcium chloride.
Calcium cyanamide.
Calcium fluoride.

Section V—Chemicals *(Cont'd)*

Calcium hypochlorite.
Calcium nitrate.
Calcium oxide.
Calcium resinate.
Calcium silicide.
Calcium sulfate.
Calcium arsenate.
Calcium arsenite.
Calcium cyanide.
Calcium hydroxide.
Calcium molybdate.
Calcium phosphate, dibasic.
Calcium phosphate, monobasic.
Calcium phosphate, pyro.
Calcium phosphate, tribasic.
Calcium silicate.
Calcium stearate.
Camphor.
Carbitol acetate.
Carbon, decolorizing.
Carbon, gas-absorbing, coconut shell.
Carbon, gas-absorbing, other.
Carbon disulfide.
Carbon dioxide.
Carbon tetrachloride.
Casein.
Cellophane.
Cellulose, alpha.
Cellulose acetate.
Cellulose nitrate.
Chloride of lime.
Chlorinated diphenyls.
Chlorine.
Chloroacetophenone.
Chlorobutanol.
Chloroform.
Chloropicrin.
Chromic oxide.
Chromium aluminum sulfate.
Cobalt naphthenate.
Cobalt oxide.
Coke, byproduct or beehive.
Copper carbonate.
Copper cyanide.
Copper sulfate.
Congo resin.
Cotton linters.
Creosote oil.
Cresols, refined, meta-para.
Cresols, refined, ortho.
Cresols, refined, ortho-meta-para.
Cresols, refined, other.
Cryolite, synthetic.
Crystal violet.
Cupric oxide.
Cupric sulfate.
Cuprous oxide.
Cuprous sulfate.
Cyclohexane.
Cyclohexanol.
Dextrine.
Dextrose.
Diamyl phthalate.
Dibutyl amine (gallon).
Dibutyl phthalate.
Dimethoxy ethyl phthalate.
Dichlaramine-B.
Dichlorobenzene, ortho.
Dichlorobenzene, para.
Dichlorodifluoromethane (Freon).
Dichloroethylene.
Diethanolamine.
Diethylaminoethanol.
Diethyl diphenyl urea.
Diethyl oxalate.
Diethyl phthalate.
Dimethylaminoethanol.
Dimethylaniline.
Dimethyl diphenyl urea.
Dimethyl phthalate.
Dinitrochlorobenzene.
Dinitrophenol.
Dipentene.
Diphenylamine.
Dimethylol urea.
Dinitrobenzene.
Ester gum.
Ether, ethyl.

Section V—Chemicals *(Cont'd)*

Ether, n-propyl.
Ether, isopropyl.
Ethyl acetate.
Ethyl lactate.
Ethyl chloracetate.
Ethyl chlorocarbonate.
Ethyl cyanoacetate.
Ethyl silicate.
Ethylene dibromide.
Ethylene dichloride.
Ethylene glycol.
Ethylene glycol monoethyl ether.
Ethylene oxide.
Ethylene chlorhydrin.
Ethylene diamine.
Ferric ammonium citrate.
Ferric ammonium oxalate.
Ferric chloride.
Ferric nitrate.
Ferric oxalate.
Ferric sodium oxalate.
Ferric sulfate.
Ferric oxide.
Ferrous sulfate.
Formaldehyde.
Freon—See Dichlorodifluoromethane.
Gelatin.
Gilsonite.
Glue, animal, casein.
Glue, animal, fish.
Glue, animal, other.
Glue, vegetable.
Glycerine, C. P.
Glycerine, dynamite.
Guanadine nitrate.
Gum tragacanth.
Helium (cu. ft.).
Hexachlorobenzene.
Hexachloroethane.
Hexamethylenetetramine.
Hydrogen (cu. ft.).
Hydrogen peroxide.
Hydroquinone.
Indigo.
Iodine.
Iron blue.
Iso, octane (gallon).
Iso, pentane (gallon).
Iso, amyl nitrate.
Isopropyl acetate.
Keratin.
Lanolin.
Lead chromate.
Lead naphthenate.
Lead nitrate.
Lead oxide (litharge).
Lead peroxide.
Lead sulfate.
Lead sulfocyanate.
Lead acetate.
Lead arsenate.
Lead azide.
Lead carbonate.
Lead linoleate.
Lead oleate.
Lead soyate.
Lacquers, specify type.
Lauryl thiocyanate.
Lithium hydroxide.
Lithopone
Magnesium silicate.
Magnesium sulfate.
Magnesium carbonate.
Magnesium chloride.
Magnesium oxide.
Magnesium silico fluoride.
Maleic anhydride.
Manganese dioxide.
Manganese naphthenate.
Manganese oxide.
Manganese sulfate.
Mannitol.
Meithol, synthetic.
Mercuric chloride.
Mercuric fulminate.
Mercuric oxide.
Mercurous chloride.

Copyright, April 3, 1942, Research Institute.

Section V—Chemicals *(Cont'd)*

Methylamine.
Methylamine bromide.
Methylene chloride.
Methylethylamine.
Methyl ethyl ketone.
Methyl chloride.
Methyl isobutyl ketone.
2-methyl naphthalene.
Methyl propyl ketone.
Monochlorobenzene.
Molybdenum oxide.
Monoethylamine.
Mononitrophenol.
Naphthalene, crude, solidifying under 79° C.
Naphthalene, refined, solidifying at 79° C. or above.
Naphthalene, chlorinated.
Halowax.
Naphthol, alpha.
Naphthol, beta.
Nickel ammonium sulfate.
Nickel sulfate.
Nickel oxide.
Nicotine.
Nitrobenzene.
Nitrobenzoyl chloride.
Nitrogen (cu. ft.).
Nitroglycerine.
Nitroguanidine.
Nicotine sulfate.
Nigrosine.
Oil, castor.
Oil, coconut.
Oil, fish.
Oil, lard.
Oil, linseed.
Oil, neat's-foot.
Oil, palm.
Oil, petroleum naphtha (aromatic).
Oil, babassu.
Oil, pine.
Oil, sperm.
Oil, sulfonated.
Oil, tung.
Oil, vegetable.
Oil, cashew.
Oil, castor, dehydrated.
Oil, cod.
Oil, gas tar.
Oil, hemp.
Oil, herring.
Oil, menhaden.
Oil, mustard.
Oil, oiticia.
Oil, perrila.
Oil, poppy seed.
Oil, rape seed.
Oil, sardine.
Oil, soybean.
Oil, stearine.
Oil, walnut.
Oil, whale.
Orthoaminophenol.
Orthonitrophenol.
Orthotoluidine.
Oxygen (cu. ft.).
Oxy-quinoline.
Paint remover, specify type.
Paints, specify type.
Para-chlorophenol.
Paraffin, chlorinated.
Paraformaldehyde.
Paraminophenol.
Paranitrobenzylchloride.
Paranitrotoluene.
Paraphenylene diamine.
Paraphenylene diamine, N. N. dibutyl.
Paratoluene sulfodichloramide.
Paris green.
Petroleum solvents, specify type.
Phenol, C. P.
Phenol, 82 percent.
Phenothiazine.
Phosgene.
Phosphoric anhydride.
Phosphorus, red (amorphous).
Phosphorus, white.
Phosphoric anhydride.

Section V—Chemicals *(Cont'd)*

Phosphorus oxychloride.
Phosphorus pentasulfide.
Phosphorus pentoxide.
Phosphorus trichloride.
Phthalic anhydride.
Pine tar.
Plastic, casein.
Plastic, cellulose, acetate.
Plastic, cellulose, acetate butyrate.
Plastic, cellulose ethyl.
Plastic, cellulose, nitrate.
Plastic, cellulose, other.
Plastic, resin, synthetic, acrylic.
Plastic, resin, synthetic, alkyd, maleic.
Plastic, resin, synthetic, alkyd, phthalic.
Plastic, resin, synthetic, coumarone and indene.
Plastic, resin, synthetic, cresylic.
Plastic, resin, synthetic, lignin.
Plastic, resin, synthetic, melamine.
Plastic, resin, synthetic, phenolic.
Plastic, resin, synthetic, methacrylic.
Plastic, resin, synthetic, polystyrene.
Plastic, resin, synthetic, urea.
Plastic, resin, synthetic, vinyl, acetate chloride.
Plastic, resin, synthetic, vinyl, butyral.
Plastic, resin, synthetic, vinyl, chloride.
Plastic, resin, synthetic, other.
Potash, crude.
Potassium acetate.
Potassium aluminum sulfate.
Potassium bitartrate.
Potassium bromide.
Potassium carbonate.
Potassium chlorate.
Potassium chloride.
Potassium chromate.
Potassium cyanide.
Potassium dichromate.
Potassium ferricyanide.
Potassium hydroxide.
Potassium iodide.
Potassium metabisulfite.
Potassium nitrate.
Potassium perchlorate.
Potassium permanganate.
Potassium sodium tartrate.
Potassium acid phthalate.
Potassium antimony tartrate.
Potassium ferrocyanide.
Potassium metaborate.
Potassium sulfate propylene dichloride.
Potassium sulfate.
Propylene glycol.
Pyrazole.
Accroids resin.
Batu resin.
Damar resin.
East India resin.
Kauri resin.
Manila resin.
Sandarac resin.
Eosine lakes and toners.
Hansa lakes and toners.
Lithol lakes and toners.
Phthalocyanine lakes and toners.
Rhodamine lakes and toners.
Propyl, p-aminobenzoate.
Rosin.
Rosin size.
Rubber, chlorinated.
Rubber, hydrochloride.
Rubber, butyl.
Rubber, synthetic, mutadiene, copolymers, Buna type.
Rubber, synthetic, neoprene.
Rubber, synthetic, thiokol.
Isoprene.
Rubber, synthetic, poly-iso-butylene.
Rubber, synthetic, pliofilm.
Rubber, synthetic, other.
Salicylaldehyde.
Shellac.
Silico manganese.
Silicon carbide.
Silver nitrate.
Soda lime.
Sodium acetate.
Sodium aluminate.

Section V—Chemicals *(Cont'd)*

Sodium aluminum sulfate.
Sodium azide.
Sodium benzoate.
Sodium bicarbonate.
Sodium bichromate.
Sodium bifluoride.
Sodium bisulfate.
Sodium bisulfite.
Sodium carbonate, 58-percent dense.
Sodium carbonate, 58-percent light.
Sodium chlorate.
Sodium cyanide.
Sodium fluoride.
Sodium hydrosulfite.
Sodium hydroxide, 76-percent flake.
Sodium hydroxide, 76-percent solid.
Sodium hypochlorite, 14 percent (gallon).
Sodium hypochlorite, other (gallon).
Sodium metaphosphate.
Sodium metasilicate.
Sodium nitrate.
Sodium oxalate.
Sodium pentachlorophenate.
Sodium phosphate, dibasic.
Sodium phosphate, monobasic.
Sodium phosphate, tribasic.
Sodium pyrophosphate.
Sodium silicate, 40 percent.
Sodium silicate, 52 percent.
Sodium sulfate.
Sodium sulfide, crystalline.
Sodium sulfide, solid.
Sodium sulfite.
Sodium thiosulfate.
Sodium tungstate.
Sodium arsenate.
Sodium fluosilicate.
Sodium metallic.
Sodium methylate.
Stannic chloride.
Stannic oxide.
Resorcinol.
Stannous chloride.
Strontium nitrate.
Strontium oxalate.
Strontium peroxide.
Solvent naphtha-toluol substitutes, specify type.
Speigeleisen.
Styrene.
Sulfur, crude.
Sulfur, refined.
Sulfur chloride, refined.
Sulfur chloride, technical.
Sulfur trioxide.
Sulfur dioxide.
Terpene.
Tetrachloroethylene.
Tetraethyl lead.
Thiourea.
Titanium dioxide.
Titanium pigments.
Titanium tetrachloride.
Tetrahydronaphthalene.
Tetrazine.
Toluene, 1° nitration.
Toluene, 2° commercial.
Toluidine red.
Trichloroethylene.
Trichlorophenol.
Tricresyl phosphate.
Triethanolamine.
Triphenyl phosphate.
Turpentine (gallon).
Thallium sulfate.
Theobromine.
Urea.
Thionyl chloride.
Xylene, industrial xylol (gallon).
Xylene, 10° (gallon).
Triacetin.
Zinc chloride.
Zinc chromate.
Zinc cyanide.
Zinc naphthenate.
Zinc oxide, leaded.
Zince oxide, lead free, American process.
Zinc oxide, lead free, French process.

Copyright, April 3, 1942, Research Institute.

Section V—Chemicals *(Cont'd)*

Zinc stearate.
Zinc sulfate.
Zinc hydrosulfite.
Trinitrophenol.
Tungsten carbide.
Vanadium oxide.
Vanillin.
Varnishes, specify type.
Water gas tar.
Wax, bees.
Wax, candilla.
Wax, carnauba.
Wax, ceresine.
Wax, Chinese insect.
Wax, Japan.
Wax, montan.
Wax, ouri-curi.
Wax, ozokerite.
Wax, paraffin.
Wax, spermaceti.
Wax, vegetable.
Xylenols.
Zirconium dioxide.

Section VI.—Cross Reference

Acid, boracic, see Acid, boric.
Acid, chromic anhydride, see Acid, chromic.
Acid, muriatic, 18°, see Acid, hydrochloric, 18°.
Acid, muriatic, 20°, see Acid, hydrochloric, 20°.
Acid, muriatic, 22°, see Acid, hydrochloric, 22°.
Acid, muriatic, anhydrous, see Acid, hydrochloric, anhydrous.
Acid, muriatic, C. P., see Acid, hydrochloric, C. P.
Alum, concentrated, see Aluminum sulfate.
Alum, see Aluminum sulfate.
Alum, see Ammonium aluminum sulfate.
Alum, see Chromium aluminum sulfate.
Alum, see Potassium aluminum sulfate.
Alum, see Sodium aluminum sulfate.
Alumina, see Aluminum oxide.
Ammonia alum, see Ammonium aluminum sulfate.
Ammonium hydroxide, see Ammonia, aqua, 26°.
Antimonius chloride, see Antimony trichloride.
Antimony white, see Antimony oxide.
Arsenious acid, see Arsenic trioxide.
Arsenious oxide, see Arsenic trioxide.
Aubepine, see Anisaldehyde.
Annana oil, see Amyl acetate.
Barium hydrate, see Barium hydroxide.
Baryta white, see Barium sulfate.
Bichloride of mercury, see Mercuric chloride.
Bituminous pitch, see Asphaltum.
Blanc fixe, see Barium sulfate.
Bleach, see Calcium hypochlorite.
Bleaching powder, see Chloride of lime.
Blue vitriol, see Cupric sulfate.
British gum, see Dextrine.
Butanol iso, see Alcohol, butyl, iso.
Butanol normal, see Alcohol, butyl, normal.
Butanol secondary, see Alcohol, butyl, secondary.
Butanol, see Alcohol, butyl.
Butanol tertiary, see Alcohol, butyl, tertiary.
Butanone, see Methyl ethyl ketone.
Butter of antimony, see Antimony trichloride.
Cadmium red, see Cadmium selenide.
Cadmium yellow, see Cadmium sulfide.
Calomel, see Mercurous chloride.
Carbolic acid, see Phenol.
Carbonyl chloride, see Phosgene.
Caseinogen, see Casein.
Caustic potash, see Potassium hydroxide.
Caustic soda, 76 percent flake, see Sodium hydroxide.
Caustic soda, 76 percent solid, see Sodium hydroxide.
Caustic soda, see Sodium hydroxide.
Centralite I, see Diethyl diphenyl urea.
Centralite II, see Dimethyl diphenyl urea.
Chalk, see Calcium carbonate.
Chilean nitrate, see Sodium nitrate.
China wood oil, see Oil, tung.
Chrome yellow, see Lead chromate.
Chrome alum, see Chromium aluminum sulfate.
Coal-tar, see Creosote oil.
Copals, see Congo resin.
Copperas, see Ferrous sulfate.
Cream of tarter, see Potassium bitartrate.
Dextroglucose, see Dextrose.
1 and 2, Diazole, see Pyrasole.
Dichloramine, T, see Paratoluene sulfodichloramide.

Section VI—Cross Reference *(Cont'd)*

Diethylene-glycol-monoethyl-ether-acetate, see Carbitol acetate.
Dissolving pulp, see Cellulose, alpha.
Dye, intermediate, see Aniline.
Ethanol, 95 percent equivalent, see Alcohol, ethyl, 95 percent equivalent.
Ethyl phthalate, see Diethyl phthalate.
Ethylene bromide, see Ethylene dibromide.
Ethylene chloride, see Ethylene dichloride.
Formic aldehyde, see Formaldehyde.
Freon, see Dichlorodifluoromethane.
Fusel oil, purified, iso, see Alcohol, amyl, iso.
Fusel oil, purified, mixed, see Alcohol, amyl, mixed.
Fusel oil, purified, normal, see Alcohol, amyl, normal.
Fusel oil, purified, secondary, see Alcohol, amyl, secondary.
Galalith, see Plastic, casein.
Glucose, see Dextrose.
Glycol, see Ethylene glycol.
Grape sugar, see Dextrose.
Green vitriol, see Ferrous sulfate.
Gum arabic, see acacia.
Gypsum, see Calcium sulfate.
Hexamethylenamine, see Hexamethylemetetramine.
Hexamethylene, see Cyclohexane.
High test bleach, see Calcium hypochlorite.
Iron sulfate, see Ferric or Ferrous sulfate.
Isopropanol, see Alcohol, isopropyl.
Lactarene, see Casein.
Lead dioxide, see Lead peroxide.
Lead monoxide, see Lead oxide.
Lime nitrogen, see Calcium cyanamide.
Lime, see Calcium oxide.
Litharge, see Lead oxide.
Methanal, see Formaldehyde.
Methanol, see Alcohol, methyl.
Methenamine, see Hexamethylenetetramine.
Methylmethacrylate, see Plastics.
Nitre cake, see Sodium bisulfate.

Section VI—Cross Reference *(Cont'd)*

Nitrocellulose, see Plastic-cellulose nitrate.
Oil of mirbane, see Nitrobenzene.
Orpiment, see Arsenic disulfide.
Paraform, see Paraformaldehyde.
Perchloroethylene, see Tetrachloroethylene.
Potash alum, see Potassium aluminum sulfate.
Potash, refined, see Potassium carbonate.
Prussian blue, see Iron blue.
Purified bauxite, see Aluminum oxide.
Realgar, see Arsenic disulfide.
Red oil, see Acid, nitric, C. P.
Red oxide of copper, see Cuprous oxide.
Rochelle salts, see Potassium sodium tartrate.
Rosin ester, see Ester gum.
Sal ammoniac, see Ammonium chloride.
Sal volatile, see Ammonium carbonate.
Salt cake, see Sodium sulfate.
Saltpeter, see Potassium nitrate.
Soda alum, see Sodium aluminum sulfate.
Soda ash, 58 percent dense, see Sodium carbonate.
Soda ash, 58 percent light, see Sodium carbonate.
Sulfuric ether, see Ether ethyl.
Tetrachloroethane, see Acetylene tetrachloride.
Tin dioxide, see Stannic oxide.
Toluol, 1° nitration, see Toluene.
Toluol, 2° commercial, see Toluene.
Toxillic anhydride, see Maleic anhydride.
Tragacanth, see Gum, tragacanth.
Turkey red oil, see Oil, sulfonated.
Vinylacetate, see Plastics.
Water glass, 40 percent, see Sodium silicate.
Water glass, 52 percent, see Sodium silicate.
White arsenic, see Arsenic trioxide.
Whiting, see Calcium carbonate.
Wood alcohol, see Alcohol, methyl.
Wool fat, see Lanolin.
Wool grease, see Lanolin.

R·760. Text of Production Requirements Plan—Form PD-25A (Sections B to G). The following is the text of the Production Requirements Plan—Form PD-25A (Sections B to G):

PD-25-A Revised (3-25-42)

NOTE

Attach a catalogue or other complete description of products unless now on file.

Serial No. .....

Interim No. .....

WAR PRODUCTION BOARD
DIVISION OF INDUSTRY OPERATIONS
BUREAU OF PRIORITIES
WASHINGTON, D. C.

APPLICATION FOR PRIORITY ASSISTANCE UNDER PRODUCTION REQUIREMENTS PLAN

For Calendar Quarter April-June 1942

Submit five copies

Read instructions in Section A carefully before filling out Form

DO NOT USE					
Co.					
Ind.					
St.					
P. N.					
Per					

(Name and address of manufacturer) (Department, division, or plant)

SECTION B.—Shipments: Show below the number of units and dollar volume of shipments (including transfers to other divisions, departments, or plants) of each of the classes of products shown in column (1). In columns 6 to 9 show shipments for each product class by the indicated preference rating groupings for the most recent 3 months for which figures are available. Estimate the April-June 1942 calendar quarter in total only. Please read the instructions for guidance in grouping the products you manufacture.

Description of Classes of Products	DO NOT USE	Unit of Measure	Shipments During Most Recent 3 Months Analyzed by Preference Ratings From ..... To						Estimated Total Shipments Calendar Quarter April-June 1942	
			Total		AA and A-1	A-2 through A-9	A-10	Other and Nonrated		
			Units	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Units	Dollars (Omit cents)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total		x x x	x x x						x x x	

SECTION C.—Inventory report covering classes of products included in Section B—express in dollars.

Inventory (1)	September 30, 1941 (2)	December 31, 1941 (3)	Date of Most Recent Physical Inventory (Give date) ..... (4)
Raw Materials			
Work in Process*			
Finished Goods*			
Supplies			
Other			
Book Total of above			

State basis used in determining values .....

*Indicate whether labor and overhead are included in values reported: .....

SECTION D.—Report of analysis of total dollar volume of shipments, and unfilled orders, of classes of products included in Section B for most recent three months possible.

PART 1.—CLASSIFICATION OF SHIPMENTS AND UNFILLED ORDERS BY PREFERENCE RATINGS

Item	Classification (a)	Shipments From ..... To ..... (Give dates) Dollar Volume (b)	Shipments Percent of Total Dollar Volume (c)	Unfilled Orders As of ..... (Give date) Dollar Volume (d)	Unfilled Orders Percent of Total Dollar Volume (e)
	Preference Ratings:	*Dollars*		*Dollars*	
1	Total		100%		100%
2	AA				
3	A-1-a				
4	A-1-b				
5	A-1-c				
6	A-1-d				
7	A-1-e				
8	A-1-f				
9	A-1-g				
10	A-1-h				
11	A-1-i				
12	A-1-j				
13	A-2				
14	A-3				
15	A-4				
16	A-5				
17	A-6				
18	A-7				
19	A-8				
20	A-9				
21	A-10*				
22	Defense Orders assigned an A-10 Rating by Priorities Regulation No. 1				
23					
24					
25	All B Ratings				
26	Known to be Nondefense				
27	Defense Status Undetermined				

*Include in Items 2 through 21 only shipments supported by preference rating certificates, preference rating orders, or properly endorsed purchase orders, in possession of applicant.

PART 2.—CLASSIFICATION OF SHIPMENTS BY INDUSTRY OR END USE
From ..... To .....

Item	Classification by Industry or End Use (a)	Dollar Volume (b)	Percent of Total Dollar Volume (c)
1	Army		
2	Navy		
3	Maritime Commission		
4	Aircraft		
5	Machine Tools		
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	All other not classified		
28	Total Shipments		100%
29	Shipments to distributors, wholesalers, jobbers, dealers for stock; do not include direct shipments		

Copyright, April 8, 1942, Research Institute.

EXCERPT FROM PRIORITIES REGULATION No. 1 AS AMENDED DECEMBER 23, 1941

(I) Any contract or purchase order . . . for the account of: The Army or Navy of the United States, the United States Maritime Commission, The Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development.

(II) Any contract or purchase order . . . for the account of: The government of any of the following countries: The United Kingdom, Canada, and other dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, the Kingdom of the Netherlands, Norway, Poland, Russia, and Yugoslavia.

(III) Any contract or purchase order placed by any agency of the United States Government for material or equipment to be delivered to, or for the account of, the government of any country listed above or any other country including those in the western hemisphere, pursuant to the act of March 11, 1941, entitled, "An Act to Promote the Defense of the United States," (Lend-Lease Act).

ORIGINAL

☆ U. S. GOVERNMENT PRINTING OFFICE : 1942 16—26043-1

Form PD 25A Revised
(2-25-42)

(Name and address of applicant) (Department, division, or plant)

SECTION E.—Report of all materials shown on Materials List No. 1, Revised, used in the manufacture of the products included in Section B

ITEM NO.	DESCRIPTION OF MATERIALS (1)	LEAVE BLANK (2)	UNIT OF MEASURE (3)	STATEMENT FOR QUARTER ENDING ..... (Most recent 3 months for which figures are available)				QUARTER ENDING JUNE 30, 1942			
				Inventory Beginning of Quarter (4)	Received During Quarter (5)	Used During Quarter (6)	Inventory End of Quarter (7)	Total Anticipated Requirements (8)	Estimated or Actual Value of (8) (9)	Leave Blank (10)	Leave Blank (11)
				Quantity	Quantity	Quantity	Quantity	Quantity	(Omit cents)		
	TOTAL	X X X	X X X	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X		X X X X X	X X X X X

ORIGINAL

☆ U. S. GOVERNMENT PRINTING OFFICE : 1942 16—26043-1

(Name and address of applicant) (Department, division, or plant)

SECTION F.—Report of other materials used in the manufacture of the products included in Section B for which preference rating is requested

ITEM NO.	DESCRIPTION OF OTHER MATERIALS NOT ON MATERIALS LIST NO. 1 REVISED (1)	LEAVE BLANK (2)	UNIT OF MEASURE (3)	STATEMENT FOR QUARTER ENDING ..... (Most recent 3 months for which figures are available)				QUARTER ENDING JUNE 30, 1942			
				Inventory Beginning of Quarter (4)	Received During Quarter (5)	Used During Quarter (6)	Inventory End of Quarter (7)	Total Anticipated Requirements (8)	Estimated or Actual Value of (8) (9)	Leave Blank (10)	Leave Blank (11)
									(Omit cents)		
	TOTAL	X X X	X X X	X X X X X	X X X X X	X X X X X	X X X X X	X X X X X		X X X X X	
	SECTION G.—Report of supplies:										
	Total (Maintenance, Repair, Operating)	X X X	Dollars								

CERTIFICATION

The undersigned hereby certifies to the War Production Board that:

(1) The facts stated above are, to the best of his knowledge and belief, true and correct and have been arrived at from the applicant's books and records in a reasonable manner;

(2) Except for those materials which are needed for maintenance, repair, or operating supplies, all the materials shown in Column 8 of Sections E and F are to be physically incorporated in, or transported with, the classes of products included in Section B;

(3) All materials on Materials List No. 1 Revised incorporated or to be incorporated in the products listed in Section B for the periods indicated have been included in Section E;

(4) If preference ratings are assigned under the Production Requirements Plan, no preference ratings other than those assigned under this Plan will be used by the Applicant to obtain deliveries of materials to be used in the manufacture of the products listed in Section B above, unless specific authorization by the Director of Industry Operations is received through the Production Requirements Branch, except (1) material obtained through the extension of AA ratings, (2) material obtained on an "as required" or "special order" basis;

(5) The dollar volumes entered opposite the various preference ratings in Section D, Part I, are supported by preference rating orders, preference rating certificates, or purchase orders carrying proper endorsements which are in the possession of the Applicant;

(6) The production materials obtained with the assistance of ratings assigned under this Plan will be used only in the manufacture of classes of products included in Section B, for which assistance has been given;

(7) That the quantities reported in Column 8 in Sections E and F are not greater than those permitted under the terms of Conservation or Limitation Orders in effect at the date of filing this application.

(Name of applicant)

(Date)

(Signature of duly authorized official) (Title)

Section 35 (a) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

AUTHORIZATION

Pursuant to Preference Rating Order P-90 and on the terms and conditions therein set forth, the Director of Industry Operations of the War Production Board hereby assigns the Preference Rating or Ratings shown below to deliveries of only the quantities or values of Materials and Supplies shown in Column 10 of Sections E, F, and G.

PREFERENCE RATING	ASSIGNED TO—

Preference Rating Order No. P-90.

Serial No. ..... (Date)

Director of Industry Operations

ORIGINAL

☆ U. S. GOVERNMENT PRINTING OFFICE : 1942 16—26043-1

PD-85 A

WAR PRODUCTION BOARD
DIVISION OF INDUSTRY OPERATIONS
BUREAU OF PRIORITIES
WASHINGTON, D. C.

(Name and address of manufacturer) (Department, division, or plant)

SECTION E and F SUPPLEMENT.—Report of materials shown incorporated in separate classes of products shown in Section B. When classes of products shown in Section B are (1) made from substantially different kinds of materials, or (2) are used for substantially different purposes in the military effort, it is desired that the applicant show separately materials required for each class of product.

ITEM NO.	DESCRIPTION OF MATERIALS	DO NOT USE	UNIT OF MEASURE	REQUIREMENTS FOR SEPARATE CLASSES OF PRODUCTS FOR QUARTER APRIL, MAY, JUNE 1942					
				PRODUCTS: Describe each class separately					
				A.		B.		C.	
				Anticipated Requirements	DO NOT USE	Anticipated Requirements	DO NOT USE	Anticipated Requirements	DO NOT USE
	(1)	(2)	(3)	(12)	(13)	(14)	(15)	(16)	(17)

ORIGINAL

☆ U. S. GOVERNMENT PRINTING OFFICE : 1942 18—20943-1

Copyright, April 8, 1942, Research Institute.

R·761. Shift from Defense Supplies Rating Plan to Production Requirements Plan. Producers may continue to operate under the Defense Supplies Rating Plan until January 1, 1941. If a producer had filed for and received permission before Wednesday, December 3, 1941 to use Supplies Rating Plan for quarter beginning January 1, 1942, he may continue to operate under this plan until he qualifies under Production Requirements Plan or until the quarter expires.

R·762. Order P-90 stipulates how rating is extended. Preference Rating Order P-90 states the procedure which producers and suppliers will use in extending the rating which they have received under the Production Requirements Plan. Producers who use Order P-90 must endorse each purchase order or contract. Before applying the order suppliers must execute an acceptance and file it with the Production Requirements Plan Section of OPM. As defined by the order, a "supplier" is one who receives from a producer a purchase order endorsed under the terms of P-90. Sections B-H of PD-25-A (see ¶ R·760) constitute the application form which must be filed with OPM in order to obtain Order P-90. The rating granted under P-90 may be used only for the quantities and kinds of material indicated in Form PD-25-A and may be used only in connection with orders placed prior to the end of the three-month period named in the form. A supplier may defer application of a rating order for material which he has not in whole or in part physically changed until he can make such purchases or contracts for the minimum quantity procurable on his usual terms.

observation: The right of the supplier to defer application of a rating until he has piled up enough purchase orders so that he, on his part, can place an order for a quantity usual in his trade as, for instance, a carload, barrel, etc., is one of the most important provisions of Order P-90. It does away with the great difficulties experienced under Order P-22 where manufacturers were forced to place orders for uneconomic small quantities.

The following is the text of Order P-90:

Preference Rating Order No. P-90
Production Requirements Plan

To: Name of Producer:..... .....
Plant, Division, Department

Address..... Serial No..... Date.....

Preference Rating Order. For the purpose of facilitating the acquisition of certain Material in the public interest and to promote the national defense, preference ratings are hereby assigned to deliveries to the above-named Producer and to deliveries to his Suppliers, upon the following terms:

(a) *Definitions.*

(1) "Producer" means the specific person to whom this Order is addressed above.

(2) "Supplier" means any person with whom a contract or purchase order has been placed for delivery of Material to the Producer or to another Supplier.

(3) "Material" means any commodity, equipment, accessory, part, assembly or product of any kind.

(b) *Assignment of Preference Rating.* Preference ratings of such grades as will be hereafter specified from time to time by the Director of Priorities on Form PD-25A are hereby assigned:

(1) to deliveries to the Producer by his Suppliers of those quantities and kinds of Material which may be specifically authorized for rating by the Director of Priorities from time to time on said Form.

(2) to deliveries to any Supplier, of Material which will ultimately be delivered by him or another Supplier to the Producer under the ratings assigned above, or will be physically incorporated into Material which will be so delivered; or which will be used, within the limitations of paragraph (d)(2) hereof, to replace in such Supplier's inventory Material so delivered.

(c) *Persons Entitled to Apply Preference Rating.* The preference ratings hereby assigned may, in the manner and to the extent hereby authorized, be applied by:

(1) the Producer;

(2) any Supplier of Material to the delivery of which a preference rating has been applied as provided in paragraph (e).

(d) *Restrictions on Use of Rating.*

(1) *Restrictions on Producer.*

(i) The Producer may apply a rating only to those quantities and kinds of Material specifically authorized for such rating by the Director of Priorities as indicated on the copy of Form PD-25A returned to the Producer, and only to purchase orders and contracts placed by him prior to the termination of the three months' period specified on said Form.

(ii) The Producer may not apply a rating to obtain delivery of Material on earlier dates than required to enable him to maintain his production schedules.

(iii) The Producer may not after the effective date of this Order apply any preference ratings other than those authorized on Form PD-25A to obtain deliveries of any production Materials or any maintenance, repair and operating Supplies unless specific authorization for such application is obtained from the Director of Priorities through the Production Requirements Plan Section. This provision shall not prohibit the Producer from making application for a preference rating for materials required for plant expansion, construction or other capital items.

(2) *Restrictions on Supplier.*

(i) No Supplier may apply a rating to obtain Material in greater quantities or on earlier dates than required to enable him to make on schedule a delivery rated hereunder or, within the limitations of (ii) and (iii) below, to replace in his inventory Material so delivered. He shall not be deemed to require such Material if he can make his rated delivery and still retain a practicable working minimum inventory thereof; and if, in making such delivery, he reduces his inventory below such minimum, he may apply the rating only to the extent necessary to restore his inventory to such minimum.

(ii) A Supplier who supplies Material which he has in whole or in part manufactured, processed, assembled or otherwise physically changed may not apply a rating to restore his inventory to a practicable working minimum unless he applies the rating before completing the rated delivery which reduces his inventory below such minimum.

(iii) A Supplier who supplies Material which he has not in whole or in part manufactured, processed, assembled or otherwise physically changed may defer applications of a rating hereunder to purchase orders or contracts for such Material to be placed by him until he can place a purchase order or contract for the minimum quantity procurable on his customary terms; *provided,* that he shall not defer the application of any rating for more than three months after he becomes entitled to apply it.

(e) *Application of Preference Rating.*

(1) The Producer or any Supplier, in order to apply a preference rating assigned hereunder to deliveries to him, must endorse on each purchase order or contract which is covered by a rating assigned hereunder, a statement in the following form, manually signed by an official duly authorized for such purpose, specifying the rating assigned and the appropriate Serial Number or Numbers:

"Preference Rating A-...., is applied hereto under Preference Rating Order No. P-90, Serial No(s)....., with the terms of which Order the undersigned is

Copyright, December 22, 1941, The Research Institute of America, Inc.

familiar. This rating may be extended only upon the terms of said Order, copies of which may be obtained from the undersigned or from any office of the Office of Production Management.

..... By.....
(Name of Producer or Supplier) (Duly Authorized Official)

Such endorsement shall constitute a representation to the Office of Production Management and the Supplier with whom the purchase order or contract is placed that such purchase order or contract is duly rated in accordance herewith. Such Supplier shall be entitled to rely on such representation, unless he knows or has reason to believe it to be false. Any such purchase order or contract shall be restricted to Material the delivery of which is rated in accordance herewith.

(2) A Supplier who has received from two or more Producers or Suppliers endorsed purchase orders or contracts for Material to the delivery of which the same rating has been applied in accordance with this Order, may (within the limitations of paragraph (d) hereof) include in a single purchase order or contract any or all of the Material which he in turn requires to make such rated deliveries, but must specify in the endorsement on such single purchase order or contract all of the Serial Numbers contained in the purchase orders or contracts which have been so received by him and to fill which he is applying the preference rating.

(3) In addition to the foregoing requirements, a Supplier (but not a Producer), before he first applies a preference rating assigned hereunder to deliveries to him, must accept Preference Rating Order No. P-90 by executing an acceptance in the form attached at the end hereof, and file it with the Office of Production Management. No additional acceptance need be filed for any subsequent application of the Order regardless of the Serial Number under which and of the name of the Producer to whom it is issued.

(f) *Records.* In addition to the records required to be kept under Priorities Regulation No. 1, the Producer and each Supplier placing or receiving any purchase order or contract rated hereunder, shall each retain, for a period of two years, for inspection by representatives of the Office of Production Management, endorsed copies of all such purchase orders or contracts, whether accepted or rejected, segregated from all other purchase orders or contracts, or filed in such manner that they can be readily segregated for such inspection.

(g) *Communications to Office of Production Management.* Acceptances of this Order, all reports required to be filed hereunder, and all communications concerning this Order, shall unless otherwise directed be addressed to: "Office of Production Management, Washington, D. C. Ref: Production Requirements Plan Section."

(h) *Violations.* Any person who wilfully violates any provision of this Order or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order may be prohibited from receiving further deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(i) *Revocation or Amendment.* This Order may be revoked or amended at any time as to the Producer or any Supplier. In the event of revocation, deliveries already rated pursuant to this Order shall be completed in accordance with said rating, unless the rating has been specifically revoked with respect thereto. No additional applications of the rating to any other deliveries shall thereafter be made by the Producer or Supplier affected by such revocation.

(j) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, as amended from time to time, except to the extent that any provisions hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(k) *Effective Date.* This Order shall take effect on the date specified in the heading hereof, and shall continue in effect until revoked.

Issued this 3rd day of December, 1941.

D. M. NELSON, *Dir. of Priorities.*

(This form may be reproduced)

Supplier's Acceptance of Preference Rating Order No. P-90

(Before signing this acceptance, read carefully the terms of the foregoing Order)

To: Office of Production Management, Washington, D. C.

Ref: Production Requirements Plan Section

The undersigned has received a purchase order or contract containing an endorsement in the form provided in Preference Rating Order No. P-90. For the purpose of applying to deliveries to the undersigned ratings assigned by said Order, the undersigned hereby accepts said Order and agrees to be bound by the terms and conditions thereof.

Dated this day of 194 . .....
Legal Name of Supplier

.....By .....
Address of Supplier Signature of Duly Authorized Official Title

(Section 35(A) of the Criminal Code (18 U.S.C. 80), makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction).

Instructions

Before a Supplier applies a preference rating pursuant to Preference Rating Order No. P-90, he must file the foregoing acceptance with the Office of Production Management, Production Requirements Plan Section. Only one acceptance of said Order need be filed by any one Supplier.

Extension of ratings must be made by endorsement on purchase orders or contracts in the manner prescribed in Preference Rating Order No. P-90. Copies of the Order and blank acceptance forms may be obtained from the Division of Priorities or any Priorities Field Service Office of the Office of Production Management.

A Producer in whose name Preference Rating Order No. P-90 is issued is not required to execute an acceptance form.

Copyright, December 22, 1941, The Research Institute of America, Inc.

CHAPTER V-B

Priority Forms

ADMINISTRATION of the priorities system requires the use of a great many forms and the furnishing of a great deal of information by those applying for priorities. Since time is very often an important factor, it is essential to avoid mistakes in filling out the forms. Unnecessary delays may be occasioned by errors of omission or commission in the preparation of forms. This Chapter discusses how to fill out the forms, each of which is reproduced and filled out with typical facts so that business men may familiarize themselves with the forms.

R·901. Reproduction of priority forms. Reproduction of priority forms and orders is permitted *only* in accordance with the following instructions issued by the priorities authorities on December 12, 1941.

(1) Any application form, including forms PD-1 and PD-1A may be reproduced.

(2) Any report form, including inventory report forms, may be reproduced.

(3) Any "M" order, "L" order, or "E" order may be reproduced.

(4) As to "P" orders, two rules are to be followed:

(a) If the order is issued to a general class of persons, and does not name any individual as the recipient of the order (as is the case in P-100, the Maintenance and Repair Order) the order may be freely reproduced in the same manner as "M" orders.

(b) If the "P" order has been issued for the use of specifically named firms or individuals, it may be reproduced for use either by the individual producer or by his suppliers who are entitled to use the order, by the photo-offset or similar photographic process. Such copies must be identical in size and every other respect with the order as issued by WPB. Blank forms of "P" orders may be reproduced for in-

Speed is essential in seeking priorities. Don't fail to make your deliveries on due dates because errors in preparing and filing priorities forms resulted in unnecessay delays in getting materials. Familiarize yourself with the forms now so that you can make application for priority ratings with speed and accuracy. Learn what facts and circumstances will buttress your application for a high preference rating.

Copyright, April 3, 1942, Research Institute.

formational purposes only when they are stamped "specimen" or "sample," so as to make it clear that the copy is for information only and not for use.

observation: The above statements do not hold good for orders such as P-7, P-14-a, and P-14-b. In these orders specific instructions state that copies of the order must not be reproduced either by the manufacturer, rated subcontractor or supplier, all copies used must be obtained from a specific government agency such as the Chief of the Priorities Administration, Branch of the Maritime Commission. Whenever such *specific* instructions are issued in an order they should be followed.

R·902. Priority Forms issued by WPB and OPA. A check-list of Priority Forms will be found in the last section of the Coordinator behind the Tab card, *Check-lists*. These forms can be obtained at the War Production Board, New Social Security Building, Washington, D. C.

recommendation: If you are in a hurry to get a Form, try the local office of WPB (see ¶ R·322) Local Army, Navy and Contract Distribution Branch Offices usually have a stock of the more frequently used Forms.

General Instructions Regarding Use of Application Forms

R·905. Follow instructions carefully when filling out forms.

recommendation: These few rules should be carefully noted. Be sure that the forms are typewritten since handwritten forms are not acceptable. Second, give all the information requested. Third, distribute the copies of the forms in accordance with the instructions contained at the bottom of each. Some are made out in quintuplicate, some in sextuplicate and varying numbers of copies. The forms carry detailed instructions as to what is to be done with each of the copies. Be sure you follow those instructions carefully.

recommendation: Because some of the forms are long, they may appear to be complicated. It is therefore wise to familiarize yourself in advance with all phases of the forms so that you may save many hours of work at a later date and avoid errors occasioned by the necessity for haste.

R·906. Notarize the application. Don't miss up on notarizing your application. Many applications are bouncing back because they were filed without notarization. You will be safer if the notarial seal is on the application.

R·907. Separate applications to be filed for different articles.

recommendation: File an individual application for each different kind of material or article on which you want priority. This will expedite the process. If a number of different items are put on one application they may have to be routed through several committees and each committee will hold up the application for some time. If they are separated each request will immediately be referred to the proper committee. Only when you are sure that a number of articles on which you want to request priorities will be acted on by the same committee is it unnecessary to split applications.

R·908. Application for preference rating to be made only against manufacturers' deliveries.

recommendation: Your application for preference rating will receive no attention if it is directed against a jobber. The supplier against whom an order has been placed or will be placed cannot be a jobber or wholesaler if you are to get a priority rating. Jobbers and wholesalers must be skipped as far as the priority application is concerned. Applications must be filed with producers.

R·909. What to do if you encounter difficulties when making out application. If you encounter any difficulty in filling out the forms, either because they are not so drafted as to allow for full explanation of your problem or because of any lack of clarity in the form, contact the Army or Navy field or inspection officer nearest to you and enlist his assistance (see ¶ F·950). If this does not clear up the situation write to the Division of Priorities, Office of Production Management, New Social Security Building, Washington, D. C. The Division will make every effort to give prompt and efficient assistance. In general, the forms are

self-explanatory and every effort has been made by the Division of Priorities to achieve simplicity and clarity, but difficulties may occur.

R·910. The priority application is not a complaint sheet.

recommendation: When answering Question 9 of the application form, you will improve your position if you can show that nothing other than the requested priority rating is required for you to fill the contract. The presence of skilled labor troubles, other priority requirements, transportation tie-ups or anything else which might stop or check your production even if priority is granted may tend to weaken your application. Do not confuse the issue.

recommendation: If there is any other information which you may want to present, Question 10 of the priorities application is the place for your story. Build up the strongest possible case for your claim.

R·911. Information to be detailed.

recommendation: The information called for by the application form should be broken down as far as possible. It is particularly advisable to attach schedules to form, etc.

R·912. What kind of information will help your application for a preference rating. The form formerly used by the Priorities Committee to obtain information in connection with applications (P.C. Form No. 6) is reproduced below. Although this form is not now in use, it indicates in great detail what facts and circumstances are considered important in passing on applications for priorities.

ARMY–NAVY MUNITIONS BOARD
MUNITIONS BUILDING

P. C. Form No. 6 Washington, D. C.

Information Requested by Priorities Committee

Reply where checked.

(A) *Identification of Applicant for Preference Rating*

1. Name of firm.
2. Address of office.
3. Location of plant.
4. Usual principal products.
5. List (not more than four) products, if any, which are a direct or indirect contribution to National Defense.

(B) *Relation of Applicant to National Defense*

6. Has applicant a direct Army or Navy contract, a few such contracts, or many?
7. If so, please list not more than 6 of the most important, including contract numbers and dates, items, required deliveries.
8. Has applicant an order from an Army or Navy contractor, a few, or many? Please list not more than 6 of the most important, including contract numbers and dates, items, deliveries required.
9. Is applicant to supply a subcontractor on Army or Navy work?

Copyright, October 17, 1941, The Research Institute of America, Inc.

10. List (not more than four) applicant's products to be produced with the aid of the material upon which a preference rating is desired.
11. Do you have letters of intent or other definite expectation of contracts, subcontracts, etc.? Upon what are such expectations based? Explain nature of work.
12. If you believe your importance to the National Defense has not properly been indicated by foregoing questions, describe more fully.
13. Estimate the percentage of your product which has National Defense use or destination, *or* percentage of your plant engaged in defense work.
14. Estimate the percentage of orders now on your books carrying preference ratings.
15. State whether or not applicant has been furnished "Extension of Preference Rating" forms to cover the subcontracts he has on order.
16. If so, name and rank of authenticating officer are desired.
17. Please furnish other data, including contract no., items, deliveries, and preference ratings on these extension forms.
18. Please furnish photostat copies of extension forms. If forms have not been furnished, explain.

(C) *Material upon which Preference Rating Is Desired*

19. List the items upon which preference ratings are desired.
20. Have you placed orders for this material?
21. If so, give order numbers and dates, with whom placed.
22. Give delivery dates quoted.
23. Give latest dates material should be delivered to avoid delay in filling your order.
24. Who is your supplier; his address?

(D) *Need for Items Desired by Applicant*

25. Are items needed to replenish stocks?
26. What supply (in terms of months) has applicant on hand?
27. How many months will material now required last?
28. Are items needed for replacement of existing facilities, for additional plant capacity, or for maintenance?
29. If for replacement, how old is present equipment?
30. If for expansion of plant:
    (a) Will floor space and other necessary accommodations be ready to receive items by dates given in No. 23?
    (b) If a new plant or extension is to be equipped by items desired by applicant, will these items result in more than one new line of production?

(E) *Necessity for Preference Rating*

31. Has attempt been made to "farm out" any part of the work described under section (3) above? With what results?
32. How many full or partial work shifts are now engaged in applicant's plant?
33. How many days per week is applicant's plant working?
34. How many hourly-paid workers are employed by applicant in manufacturing or producing departments?
35. How many hourly-paid workers were employed in July 1939?
36. Has second-hand market been investigated to obtain items desired by applicant? With what result?
37. Is there a satisfactory substitute available to fill applicant's need? If so, explain why such has not been ordered.
38. What deliveries for applicant's product (in months).
    (a) Are quoted in normal times?
    (b) At present?
    (c) Estimated six months hence if plans materialize? (Give basis for estimate.)

39. Will prompt delivery of material needed by applicant assist in making better deliveries of product to customers of direct or indirect importance to National Defense?
40. Is purpose of preference rating being applied for to protect promised deliveries, improve promised deliveries, or to obtain a definite delivery schedule?
41. Are all items in quantity stated as needed by applicant to be applied to defense work?
42. Furnish any data desired covering additional matter which applicant regards as relevant and important.

Important: Form of Reply

(1) Question need not be repeated if number of question is indicated.
(2) All statements must be notarized, and sent to:

Priorities Committee, Army-Navy Munitions Board
Munitions Building, Washington, D. C.

R·913. Inventory status reflected in priority application.

¶ ***recommendation:*** Note that Question 5a requires you to disclose the size of your inventory in the request of materials under priority, stating the amount you have in transit and the amount for delivery. This means that the size of your inventory will be considered, determining how much of the priority materials you will get. The Institute has advised against speculative accumulation of inventory. Building up an over-heavy inventory of any vital materials will yield no benefits if later deliveries are stopped until your inventory is forced down to a more nearly normal level. Over-sized inventories will probably alienate defense officials who are already growing impatient with speculative inventory accumulation. Bear in mind also that decrease in the rigid price control will probably preclude the possibility of any spectacular gains of inventory speculation.

¶ ***observation:*** Note that Question 5a need only be filled out on applications for priority on a material or commodity which is going to be processed into a completed article or which would be carried as inventory. It is not to be filled out on applications for machine tool priority or for priority on any other type of capital equipment which might become subject to allocation.

R·914. Planning ahead will help your priority application.

¶ ***recommendation:*** Work very closely with your supplier before or immediately upon filing applications for a preference rating. Check in advance with your supplier to see whether or not he expects any difficulty in obtaining other materials or items which he must have to produce what you want. If he expects trouble because of priority difficulties, have him immediately take steps to obtain a priority rating. Sit down at a table with your supplier and check through the items going into the article you will finally obtain from him. Valuable time may be saved by having all suppliers down along the entire chain of production who may require priority ratings to fill orders essential to your order undertake steps simultaneously and at an early date to get priority ratings. Relay your own priority rating to your suppliers as soon as possible and have them again pass it on if necessary.

¶ ***illustration:*** Firm A wants some electrical equipment from Firm B. Firm B cannot produce this electrical equipment and deliver to A unless A obtains a

Copyright, October 17, 1941, The Research Institute of America, Inc.

priority rating. However, B cannot produce unless it in turn obtains another part from firm C, and C can't produce that part unless it obtains some aluminum from D. If A finally files application for priority rating, the priority rating will do A no good as far as his order with B is concerned unless B, C and D all get priority ratings. It is apparent that precious time can be saved by checking right through to the primary source materials and having all of those needing priority ratings take immediate steps to obtain them.

R·915. Defense orders may help you get materials for non-defense orders. The importance of keying at least a portion of your activities to defense becomes more acute daily as material shortages mount and controls increase.

One of the most important problems with which OPM is now wrestling dramatically illustrates a point. If a firm has some defense business and some non-defense business, should it be given call on sufficient materials to meet both types of orders? If the answer is "yes," defense production may be pinched. If the answer is "no," personnel, production lines, cost schedules, may be thrown out of kilter.

¶ ***Illustration:*** Company X does 60% defense work and 40% non-defense work. To maintain fully its working staff, its speedy production schedules and low costs, Company X needs to handle both defense and non-defense work. If priorities cut off materials required for non-defense work, the result is a general slow-down and sharply increased unit cost on defense production.

¶ ***Recommendation:*** If you find yourself in this position, a request for priorities for all material you require both for defense and non-defense work should be filed at once—*and put your case strongly.* Show that failure to get priorities on materials required for non-defense work will result in loss of personnel, slow down your operations, increase your unit costs, etc. The government is interested in speedy supply and low prices. To get these, the Priorities Division may allocate to you sufficient materials to carry on both defense and non-defense activities. Show in dollars and cents how much defense and how much non-defense work you have and the priority ratings your defense work carries. Give detailed costs and production break-down to show what a curtailment of non-defense activities will mean in terms of lower operating efficiency, and slowing down of production schedule. *Be specific.* Show how many men you would be forced to lay off, how many machines might be kept idle, time lag which would result from slow-down of production schedules and what increases in unit production cost would amount to in dollars and cents.

¶ ***Observation:*** As the tempo of the defense program heightens, this will become less and less true. With direct defense needs making a greater demand for material, non-defense activities, even in plants with defense orders, will have to go hungry.

R·916. Hitch your priority application to defense needs.

¶ ***Recommendation:*** Under Question 4c of the application form, align your needs as closely to defense as possible. The next best bet is to show that your product

is essential to the production or repair or replacement of parts of apparatus, equipment and devices which must function in order to preserve essential services and maintain maximum production of goods vital to defense or to the public interest or that your product is essential to the protection of public health and safety. Show that your use of requested items is small in relation to the dollar value of the articles being produced.

R·917. If your work will alleviate unemployment.

recommendation: Show as far as possible that a large amount of labor will be employed with the use of a relatively small amount of what you request. Translate into terms of unemployment what denial of your request would mean.

R·918. If substitute plant, equipment or raw material unobtainable.

recommendation: If possible show that you have standard apparatus equipment or devices which cannot be redesigned to use substitutes without serious interruption of current production. Show as far as possible that there is no reasonably satisfactory substitute for what you request. Go into some detail on the availability of substitutes under Question 7 of the questionnaire of the application form. Under 7d where you are asked to state the effect of using substitutes in terms of price, quantity, etc., you can strengthen your application if you can show that you can't keep the contract with the substitutes, that the price at an increasing cost will make it impossible for you to meet the price fixed on the contract, that the customer will not be required to accept the finished article made up with a substitute material, your machines are not suited to the use of substitutes, that the use of substitutes would slow you down so that you could not meet an important delivery date and raise costs of production prohibitively, etc.

R·919. Order for article or material should precede priority application.

observation: Note that the Priorities Division of OPM prefers that a purchase order is actually placed before an application for preference rating is filed.

R·920. Try several supply sources. Before applying for priority ratings, make efforts to obtain what you want from a number of sources. The more sources of supply you have contacted the stronger your application for a priority rating becomes. Submit a detailed account of your efforts in this direction, under Question 6a of the priorities application form.

R·921. Your efforts to subcontract count.

recommendation: You will further strengthen your application if you can show that you made strenuous efforts to farm out parts of the contract which you are trying to fill and were unable to. Give a complete account of these efforts at Question 6b of the form.

R·922. Revised procedure for PD-1 preference rating applications. Effective December 1, 1941, applications for preference rating on Form PD-1 are

Copyright, November 22, 1941, The Research Institute of America, Inc.

to be directed to the industrial branch which handles the product manufactured or the service rendered. The branch, after considering the importance of the particular product or service, will indicate the dates on which delivery is required and the preference rating to be assigned. From here the application is forwarded to the branch in charge of the product or service for which the applicant's product is to be used and to the branches handling the required materials. If the branch in charge of the required material agrees with the recommendation of the initiating branch, the application goes to the Priorities Division for final action. If the material branch disagrees, a reconciliation of the two points of view is attempted and, should these attempts fail, the matter is submitted to the Priorities Division for final decision.

R·923. Collecting data for priority applications. Before proceeding to fill out priority or PD forms you must have certain information available. An analysis of all PD forms shows that the following data will help in seeking priority returns or allocations of priority-controlled materials:

(1) Inventory

(a) Your stock on hand of the scarce material.

(b) Orders placed by you for such material and scheduled shipments.

(c) Shipments of such material received by you or en route to you.

For the most part, this information is to contain details regarding the kind or shape of the material or the content of the scarce material in the product.

(2) Consumption

(a) Your past rate of operation (consumption) specifying the proportion of defense business in your total business.

(b) Orders placed with you by your customers, giving priority ratings of such orders and the intended ultimate use to be made of your product.

(c) Shipments you propose to make, specifying priority ratings and intended ultimate use.

(3) Requirements

(a) Kind and quantity of the scarce material you require to fill the orders on your books (again specifying rating and ultimate use) and expected orders.

(4) Supporting evidence

(a) Proportion of defense business in your total business.

(b) Proportion of the scarce material to the total value of your product.

(c) Number of men employed by you and threatened with unemployment if you are unable to obtain the material. Number of men employed per pound of scarce material used.

(d) The extent to which you are using substitutes and resulting savings; or the impossibility of using substitutes.

(e) Efforts made by you to secure the scarce material.

(f) Efforts to subcontract.

(g) Ratio of various types of priority controlled material to other types and all material to other types and all materials entering your product.

Applications for Preference Ratings

R·925. Application on Form PD-1 for preference rating on products for civilian use. Form PD-1 is the designation for the Application for Preference Rating. It is essentially a request by the applicant that an order placed or to be placed with a supplier be given a preference rating. It consists of two sheets (or four pages) in quintuplicate. A third sheet (or two additional pages) is also included as a statement of a supplier. After filling out Form PD-1, the applicant retains the quintuplicate and submits the other copies in quadruplicate to the Director of Priorities, Office of Production Management, Washington, D. C.

This form is used where an applicant engaged in supplying products for domestic civilian use is unable to get materials which go into these products.

recommendation: Despite the fact that this form is used only on domestic civilian orders, it will be noted that Question 5 (3) requests information regarding the relationship of the use of the material to the national defense program. You should make as good a showing as possible in this paragraph in attempting to convince the Priorities Division that a favorable preference rating should be extended to you.

R·926. Common errors in filling out Form PD-1. The Priorities Division is attempting to streamline the actual mechanics of getting out form preference rating certificates when they have been applied for on PD-1 Forms. To insure the most speedy handling, all blanks on the form should be filled in with pertinent data where necessary.

recommendation: Following are the most common errors of omission in filling out PD-1 Forms. Be sure to check your own form and see that you are not guilty of these common omissions.

(1) The applicant forgets to put in his address.

(2) The applicant fails to put any delivery date at all on the application. This is quite serious and will cause innumerable delays.

(3) Where the supplier's name is asked for, it is common for the applicant to put in his own name instead of the supplier's name; or in many cases, the applicant lists his procuring agent rather than his supplier.

Another common error is to have inconsistent delivery dates, that is, one set of delivery dates in the blank space where it calls for dates of delivery and another set of delivery dates in the delivery schedule. In like manner, the quantity of material requested from the item "Name and description of the material" is frequently not consistent with the quantity of material asked for in the delivery schedule.

Omissions or errors in any one of these items may hold up applications for weeks. Since these are the most frequent, it is advisable that you check for these specific errors on your own applications. It would save you money and time if

you would set up a little unit to check all priority forms as to inconsistencies, omissions and other errors before you send them out of your office.

R·927. Letters no substitute for Form PD-1. Up until August 1, 1941, the Priorities Division had been accepting letters applying for preference rating certificates and dealing with them in the same manner as with applications on the standard PD-1 Form. In an effort to channelize procedure and speed up issuance of certificates, the Priorities Division now refuses to accept letters as applications. If the Priorities Division gets a letter requesting a preference rating, it will merely return the letter with a blank application form. This, naturally, will cause a delay of several days or weeks. It is therefore advisable to use Form PD-1 and not merely write letters requesting the preference rating certificate.

R·928. Application on Form PD-1 for machine tool preference rating. Manufacturers requiring plant equipment, such as machine tools, have different priority needs from those requiring certain raw materials. Form PD-1, as reproduced on the following page, has been filled out with the needs of a medium-sized machine tool manufacturer in mind. The facts are fairly typical. The presentation is intended to serve as a guide in weaving your own peculiar facts into the strongest possible priority application.

Copyright, October 17, 1941, The Research Institute of America, Inc.

PD-1

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D. C.

No. ..... PRIORITIES DIVISION

APPLICATION FOR PREFERENCE RATING

Sheet One (page 1 of 4)

Instructions.—Applicant must be *the user* of the material, equipment, or service, excluding labor, hereinafter called "material." A separate application must be filed for each case presented. "Each case" means each need for specific material which can be filled by a *single* Supplier and which is for use in completing a specific contract (except as may be set forth in Par. 4 *b*). Thus, separate orders with a Supplier may be covered by a single application, if the material on each order is similar and for use in completing the *same* covering contract(s). If orders for identical material are placed with *several* Suppliers, a separate application must be filed for *each* Supplier. All information deemed relevant by the Applicant should be included in the application form; if space does not so permit, a supplemental typewritten statement may be attached. **APPLICANT WILL RETAIN QUINTUPLICATE, AND SUBMIT COMPLETED APPLICATION IN QUADRUPLICATE TO DIRECTOR OF PRIORITIES, OFFICE OF PRODUCTION MANAGEMENT, WASHINGTON, D. C. PLEASE USE TYPEWRITER.**

Date April 16, 1941

1. Jefferson Thread Gauge Company, Inc.
LEGAL NAME OF APPLICANT

341 Mercer Street, Chicago, Illinois
ADDRESS

Gauge Plant: 341 Mercer St.; Instrument Plant: 4714 Cochrane Ave., Chicago, Ill.
ADDRESS OF PLANT(S) IN WHICH MATERIAL IS TO BE USED

hereby requests issuance of a Preference Rating on the following material valued at $ 8,500.00

Item No.	Name and Description of Material	Promised Delivery Date(s)
1	1 Thread Grinder	January 1, 1942
2	1 Thread Hobbing Machine	December 1, 1941
3	5 Gear Tooth Grinders	January 1, 1942
4		
5		
6		

*REQUIRED DELIVERY SCHEDULE	1st Delivery *Date	2d Delivery *Date	3d Delivery *Date	4th Delivery *Date	5th Delivery *Date	6th Delivery *Date	7th Delivery *Date	8th Delivery *Date
ITEM 1	1/1/42							
Unit Quantities	one							
ITEM 2	12/1/41							
Unit Quantities	one							
ITEM 3	10/15/41	11/15/41	12/1/41	1/1/42				
Unit Quantities	one	one	one	two				
ITEM 4								
Unit Quantities								
ITEM 5								
Unit Quantities								
ITEM 6								
Unit Quantities								

order for which has been placed by Applicant with: (If order not placed, check here ☐ and explain why under Par. 6 a.)

2. Blackbrowne Precision Tool Company
NAME OF SUPPLIER ON WHOM PREFERENCE RATING IS REQUESTED

Supplier's address Platesville, Missouri

Applicant's Order No. 3647325A Dated April 14, 1941

**Delivery Dates are arrival dates of material at Purchaser's Plant. Installment deliveries must be scheduled when partial deliveries will meet requirements. If necessary, delivery schedules may be attached as a part hereof.*

16—20161

3. If Applicant has pending, or intends to file application for other material for the same product or use for which the material specified in Par. 1 is required, list for each such application:

Name of Supplier	Name and Description of Material	Date of Application
Brown High Speed Steel Mfg. Co.	high speed cutting steels	April 1, 1941
Black Emery Wheel Company	abrasive wheels	March 3, 1941

4. *a.* Supply the following information with respect to *the product* in which the material specified in Par. 1 will be used:

	Name and Description of Product	Unit Quantities	Approx. Value	Delivery Date(s) scheduled in Contract(s) or Order(s)	% of Completion of Contract(s) or Order(s) specified in 4 b
(1)	Thread Gauges	2500	$25,000	September 15,	10%
(2)	Thread Gauges	1000	$10,000	1941	15%

If Preference Rating has been assigned to the product specified in 4 *a*, state Preference Rating A10 Certificate No. (s) AN26403 and AN2617 Unit quantities 3500

*b.** Identify contract(s) or order(s) for the product specified in 4 *a;*

(1) If Applicant's customer is a governmental agency, state:

Supply Arm or Bureau Ord. Dept. Contract No. W Ord 3214
COMPLETE NUMBER

(2) If Applicant's customer is not a government agency, state:

Name Arkansas Bureau of Education

Address Little Rock, Arkansas

Customer's Order No. --- Date of order December 1, 1940

*If numerous contracts or orders are involved, a Summary, making distinction between government and civilian orders, will suffice in lieu of answers to 4 *b* (1) and 4 *b* (2).

*SUMMARY:

Thread gauges under (1) are intended for Poth-Creek Armory, Nebraska under Order No. W Ord 3214 for shell fuse mfg.

Thread gauges under (2) are required by. . . State Vocational School System for training of apprentices for Arkansas defense industries.

c. Explain how the material specified in Par. 1 (or its ultimate use) is deemed essential to the National Defense Program. If not essential to the National Defense Program, state why application is being made:

(1.) Part of the material specified in paragraph 1 is essential to the National Defense program because it is required for the manufacture of shell fuses by the Poth-Creek Armory, needed by the Army.

(2.) The other material specified in paragraph 1, intended for the Arkansas State Vocational School System is needed for the training of skilled workers to be employed in defense industry. The shortage of skilled workers has constituted a serious defense bottleneck in Arkansas.

16—20104

Copyright, October 17, 1941, The Research Institute of America, Inc.

ORIGINAL

Paragraph 5 is not to be answered if material specified in Par. 1 is a machine tool (or other capital equipment)

5. *a.* State unit quantities of material specified in Par. 1 which are
   (1) Available from stock .....
   (2) In transit .....
   (3) Promised for delivery *excluding quantities specified in Par. 1* .....

b. Will *all* the material specified in 5 *a* be used in completing the contract(s) or order(s) specified in 4 *b*? Yes ☐ No ☐ (Check one.)

c. If answer to 5 *b* is "No," state:
   (1) Unit quantities of material specified in 5 *a* which will not be so used:
   (2) The use which will be made of material specified in (1):

   (3) Relationship of such use to National Defense Program:

Applicant should detail fully in paragraphs 6, 7, and 8 what efforts ***preceding the filing of this application,*** *he has made to satisfy his requirements* ***without*** *a Preference Rating.*

6. *a.* State sources of supply contacted:

Name and Address	Results or Replies and Other Details
Burnside Machine Tool Inc.	100% filled up with other earlier orders with preference rating
Lincoln Automatic Tool Inc.	
Mahoney Gauge Grinder Inc.	

b. State efforts to "farm out" parts of contract(s) or order(s) specified in 4 *b*:

Name and Address of Companies Contacted	Results or Replies and Other Details

Farming out impossible as only firms listed under 6a in position to deliver the high precision tools required. Tolerances do not permit subcontracting.

7. What alternatives or substitutes could be used in lieu of material specified in Par. 1:
   a. Identify alternatives or substitutes used machinery
   b. State extent of possible use fully adequate
   c. State unit quantities: In stock none Available none
   d. State effect in terms of price, quantity, etc. would be cheaper in price (25%)
   would increase production costs (3-5%)

16—20164

Paragraph 8 to be answered only if material specified in Par. 1 is a machine tool (or other capital equipment).

8. State basis of operations in plant(s) or department(s) of plant where material in Par. 1 is to be used:

Name and Address of Plant(s)	Hours of Operation per Week	No. of Men on Each 8-hour Shift: First	Second	Third
Gauge Plant, 341 Mercer Street Chicago, Illinois	16	60	55	60
Instrument Plant, 4714 Cochrane Ave. Chicago, Illinois	24	35	30	35

9. Are there any conditions or circumstances, other than delivery of the material on the *Delivery Date*(s) specified in Par. 1, which would interfere with completion on schedule of the contract(s) or order(s) specified in 4 *b*? Yes ☒ No ☐ (Check one.) If "Yes," explain:

It is impossible to use three daily shifts at Gauge Plant because of lack of skilled workers.

10. Additional relevant information which applicant may wish to present:

Reduced quantity of emery wheels tends to increase cost of production as wheels must be changed after a few working hours.

---

11. Read carefully and strike out each subdivision of the following to which you are unable to certify and attach a statement of the reason or reasons why such certification is impossible in each instance.

We hereby certify that, to the best of our knowledge and belief, (1) the material specified in Par. 1 is to be used in connection with the production of the contract(s) or order(s) specified in Par. 4 *b*; (2) the inventory of and orders for such material referred to in Par. 5 are and will be used exclusively in connection with the production of the contract(s) or order(s) specified in Par. 4 *b* except as may be set forth in Par. 5 *c*; (3) the material in Par. 1 is essential to the completion of the contract(s) or order(s) specified in Par. 4 *b*; (4) the quantities specified are not greater than needed for the contract(s) or order(s) specified in 4 *b*; (5) the indicated *Required Delivery Date*(s) is not earlier than the actual need for the material specified in Par. 1; and (6) delivery of the material specified in Par. 1 on the specified *Required Delivery Date*(s) will permit completion according to schedule of the contract(s) or order(s) specified in Par. 4 *b*, except as may be set forth in Par. 9.

Subscribed and sworn to before me this 25th *day of* April, *1941.*

Jefferson Thread Gauge Company, Inc.
LEGAL NAME OF APPLICANT

By John Smith, President
SIGNATURE OF OFFICIAL AND TITLE

Richard Stevens
Notary Public.

U. S. GOVERNMENT PRINTING OFFICE 16—20164

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·929. Application on PD-1 for raw material preference rating. Manufacturers requiring raw materials to complete a contract are faced with somewhat different problems. The form below has been filled out for a bolt and nut manufacturer requiring rolled bars.

PD-1

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D. C.

No. _____
PRIORITIES DIVISION

APPLICATION FOR PREFERENCE RATING

Sheet One (page 1 of 4)

Instructions.—Applicant must be *the user* of the material, equipment, or service, excluding labor, hereinafter called "material." A separate application must be filed for each case presented. "Each case" means each need for specific material which can be filled by a *single* Supplier and which is for use in completing a specific contract (except as may be set forth in Par. 4 *b*). Thus, separate orders with a Supplier may be covered by a single application, if the material on each order is similar and for use in completing the *same* covering contract(s). If orders for identical material are placed with *several* Suppliers, a separate application must be filed for *each* Supplier. All information deemed relevant by the Applicant should be included in the application form; if space does not so permit, a supplemental typewritten statement may be attached. APPLICANT WILL RETAIN QUINTUPLICATE, AND SUBMIT COMPLETED APPLICATION IN QUADRUPLICATE TO DIRECTOR OF PRIORITIES, OFFICE OF PRODUCTION MANAGEMENT, WASHINGTON, D. C. PLEASE USE TYPEWRITER.

Date May 12, 1941

1. Ardelle Nut and Bolt Manufacturing Company
LEGAL NAME OF APPLICANT

3016 McKinley Street
ADDRESS

Detroit, Michigan
ADDRESS OF PLANT(S) IN WHICH MATERIAL IS TO BE USED

hereby requests issuance of a Preference Rating on the following material valued at $ 1,000

Item No.	Name and Description of Material	Promised Delivery Date(s)
1	5/16 inch Rolled Bars, Nickel alloy steel--10 ton	. . . No delivery without
2	1/4 inch Rolled Bars, Nickel alloy steel--4 ton	preference ratings
3		
4		
5		
6		

*REQUIRED DELIVERY SCHEDULE	1st Delivery *Date	2d Delivery *Date	3d Delivery *Date	4th Delivery *Date	5th Delivery *Date	6th Delivery *Date	7th Delivery *Date	8th Delivery *Date
ITEM 1	July 1	Aug. 1	Sept 1	Oct 1	Nov 1			
Unit Quantities	2 ton	2 ton	2 ton	2 ton	2 ton			
ITEM 2	Aug 1	Sept 1						
Unit Quantities	2 ton	2 ton						
ITEM 3								
Unit Quantities								
ITEM 4								
Unit Quantities								
ITEM 5								
Unit Quantities								
ITEM 6								
Unit Quantities								

order for which has been placed by Applicant with: (If order not placed, check here ☐ *and explain why under Par. 6 a.)*

2. The Falcon Steel Company
NAME OF SUPPLIER ON WHOM PREFERENCE RATING IS REQUESTED

Supplier's address Pittsburgh, Pennsylvania

Applicant's Order No. 12345 NAC Dated May 9, 1941

**Delivery Dates are arrival dates of material at Purchaser's Plant. Installment deliveries must be scheduled when partial deliveries will meet requirements. If necessary, delivery schedules may be attached as a part hereof.*

3. If Applicant has pending, or intends to file application for other material for the same product or use for which the material specified in Par. 1 is required, list for each such application:

Name of Supplier	Name and Description of Material	Date of Application

NONE FILED

4. *a.* Supply the following information with respect to *the product* in which the material specified in Par. 1 will be used:

Name and Description of Product	Unit Quantities	Approx. Value	Delivery Date(s) scheduled in Contract(s) or Order(s)	% of Completion of Contract(s) or Order(s) specified in 4 b
1/4 inch hexagonal nuts	75,000	$800	Monthly beginning August 1	Not yet begun
3/8 inch bolts	37,000	$600	Monthly beginning August 1	Not yet begun

If Preference Rating has been assigned to the product specified in 4 *a*, state Preference Rating NONE ASSIGNED Certificate No.(s) _____ Unit quantities _____

*b.** Identify contract(s) or order(s) for the product specified in 4 *a;*

(1) If Applicant's customer is a governmental agency, state:

Supply Arm or Bureau _____ Contract No. _____ COMPLETE NUMBER

(2) If Applicant's customer is not a government agency, state:

Name Stated below * _____

Address _____

Customer's Order No. _____ Date of order _____

*If numerous contracts or orders are involved, a Summary, making distinction between government and civilian orders, will suffice in lieu of answers to 4 *b* (1) and 4 *b* (2).

*SUMMARY:

* Produce nuts and bolts for many manufacturers who are engaged on defense contracts. Currently we are supplying the Midston Corporation, Wash., Pa.; the Holden Company, St. Louis, Mo.; and the Zenith Construction Co., Fairview, Texas with nuts and bolts which they are using to fulfill Army and Navy contracts.

c. Explain how the material specified in Par. 1 (or its ultimate use) is deemed essential to the National Defense Program. If not essential to the National Defense Program, state why application is being made:

We have been advised by the above named customers that they will use our entire output in connection with fulfillment of Army or Navy contracts or subcontracts in which they are currently engaged and will continue to be engaged in the future.

16—20164

Copyright, October 17, 1941, The Research Institute of America, Inc.

ORIGINAL

Paragraph 5 is not to be answered if material specified in Par. 1 is a machine tool (or other capital equipment)

5. *a.* State unit quantities of material specified in Par. 1 which are
(1) In stock: Quantity None Estimated percent of annual consumption
(2) In transit None
(3) Promised for delivery *excluding quantities specified in Par. 1* None

b. Will *all* the material specified in 5 *a* be used in completing the contract(s) or order(s) specified in 4 *b*? Yes ☒ No ☐ (Check one.)

c. If answer to 5 *b* is "No," state:
(1) Unit quantities of material specified in 5 *a* which will not be so used:
(2) The use which will be made of material specified in (1):

(3) Relationship of such use to National Defense Program:

Applicant should detail fully in paragraphs 6, 7, and 8 what efforts preceding the filing of this application, he has made to satisfy his requirements without a Preference Rating.

6. *a.* State sources of supply contacted:

Name and Address	Results or Replies and Other Details
Warren Steel Corporation, Pittsburgh, Pa.	Running to capacity and cannot accept our order for July 1 delivery
Hitchens Steel and Supply Co., Detroit, Mich	Same answer as above
Pittsburgh-Pennsylvania Steel Corporation, Pitts., Pa.	Same answer as above

We also tried several other companies with the same result; Faloon will supply us because they can squeeze our order in with similar orders already being run.

b. State efforts to "farm out" parts of contract(s) or order(s) specified in 4 *b*:

Name and Address of Companies Contacted	Results or Replies and Other Details

Can't farm put to other companies because those properly equipped for doing the work are already running to capacity on preference rated orders.

7. What alternatives or substitutes could be used in lieu of material specified in Par. 1:
a. Identify alternatives or substitutes Don't know of any adequate available sub. for steel
b. State extent of possible use None
c. State unit quantities: In stock None Available None
d. State effect in terms of price, quantity, etc.

No substitute available at any price, which is adequate for nuts and bolts.

16—20184

Paragraph 8 to be answered only if material specified in Par. 1 is a machine tool (or other capital equipment).

8. State basis of operations in plant(s) or department(s) of plant where material in Par. 1 is to be used:

Name and Address of Plant(s)	Hours of Operation per Week	No. of Men on Each 8-hour Shift: First	Second	Third
Application relates to raw materials and not machine tool or other capital equipment.				

9. Are there any conditions or circumstances, other than delivery of the material on the *Delivery Date*(*s*) specified in Par. 1, which would interfere with completion on schedule of the contract(s) or order(s) specified in 4 *b*? Yes ☐ No ☒ (Check one.) If "Yes," explain:

10. Additional relevant information which applicant may wish to present:

Our experience indicates that the demand for our product, which has kept us running at capacity since last November, is very great and the number of availabl e producers is limited. If we do not obtain preference ratings, we have been advised by the three corporations named in questionx 4b(2) that they will be delayed in completing certain of their Army and Navy contracts due to shortage of proper nuts and bolts.

---

11. Read carefully and strike out each subdivision of the following to which you are unable to certify and attach a statement of the reason or reasons why such certification is impossible in each instance.

We hereby certify that, to the best of our knowledge and belief, (1) the material specified in Par. 1 is to be used in connection with the production of the contract(s) or order(s) specified in Par. 4 *b*; (2) ~~the inventory of and orders for such material referred to in Par. 5 are and will be used exclusively in connection with the production of the contract(s) or order(s) specified in Par. 4 *b* except as may be set forth in Par. 5;~~ (3) the material in Par. 1 is essential to the completion of the contract(s) or order(s) specified in Par. 4 *b*; (4) the quantities specified are not greater than needed for the contract(s) or order(s) specified in 4 *b*; (5) the indicated *Required Delivery Date*(*s*) is not earlier than the actual need for the material specified in Par. 1; and (6) delivery of the material specified in Par. 1 on the specified *Required Delivery Date*(*s*) will permit completion according to schedule of the contract(s) or order(s) specified in Par. 4 *b*, except as may be set forth in Par. 9.

Subscribed and sworn to before me this 12th *day of* May, *1941.*

James Jackson
Notary Public.

Ardelle Nut and Bolt Manufacturing Co.
LEGAL NAME OF APPLICANT

By John Doe, President
SIGNATURE OF OFFICIAL AND TITLE

U. S. GOVERNMENT PRINTING OFFICE 16—20164

Copyright, October 17, 1941, The Research Institute of America, Inc.

Preference Rating Certificates

R·935. Preference Rating Certificate on Army and Navy prime contracts. Form PD-3 is the most common Preference Rating Certificate form since it is the one used on all Army and Navy contracts requiring a preference rating. There is no need to make formal application to get such a Preference Rating Certificate in connection with Army or Navy orders. Assignment of such preference ratings is automatic and is made by the Priorities Committee of the Army and Navy Munitions Board.

Form PD-3 consists of one sheet made out in septuplicate and distributed as follows: The original is forwarded to and retained by the supplier; the duplicate and triplicate are forwarded to the Director of Priorities; the quadruplicate is forwarded to the Priorities Committee; the quintuplicate is retained by the countersigning government official; and the sextuplicate is forwarded to the supplier's customer; the septuplicate to the Chief of the Supply Arms Service (SAS), i.e., the Chief of Ordnance, the Quartermaster General, the Surgeon General or from whatever purchasing branch of the Army, Navy or civil government the order originated. In certain cases it will be sufficient to send this form to the local contracting officer who will forward the septuplicate to Washington.

observation: In connection with forms to be used only for prime contracts, the government contracting officer generally stamps across paragraph 2 of the Preference Rating Certificate the word "VOID." This prevents the granting of any extension to subcontractors or suppliers on the same form and requires the issuance of a new form by the contracting officer when a preference rating extension is granted by him.

recommendation: It should be carefully noted that the Preference Rating Certificate is not valid unless the authentication in paragraph 3 is properly filled out. Be sure that this paragraph is filled in properly and countersigned by the proper Army or Navy officer. If not, you are liable to run into trouble. Straightening out a form which has been incorrectly filled out involves much more trouble than seeing that it is done correctly in the first instance.

R·936. Text of Preference Rating Certificate. Reproduced below is the text of the Preference Rating Certificate, Form PD-3, which consists of variously colored copies in septuplicate:

PD-3

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D. C.

AN- 26403

PREFERENCE RATING CERTIFICATE

To _____
NAME OF SUPPLIER

_____
ADDRESS

1. In accordance with Section 2 (*a*) of the Act of June 28, 1940 (Pub. 671, 76th Cong. 3d. Sess.), Preference Rating _____ is hereby assigned to the item(s) described below covered by U. S. Army or Navy Contract No. _____ placed with:
COMPLETE DEPARTMENT NO.

Name _____
Address _____
By _____
U. S. ARMY OR NAVY SUPPLY ARM OR BUREAU

Name and description of item(s)	Unit Quantities	Approx. Value	Required Delivery Date(s)

WHEN PREFERENCE RATING IS ASSIGNED TO MATERIAL ON A SUBCONTRACT RELATED TO THE PRIME CONTRACT NAMED IN PARAGRAPH 1, PARAGRAPH 2 MUST ALSO BE COMPLETED.

*If this Certificate is **not** to be extended to a subcontractor, the countersigning U. S. Government official will rubber stamp Paragraph 2 "VOID."*

2. In accordance with Section 2 (*a*) of the Act of June 28, 1940, Preference Rating _____ is hereby assigned to the material described below valued at $, ordered from the Supplier by _____, for delivery in accordance with the following Delivery Schedule.

Item No.	Name and description of item(s)	Purchaser's Order No.	Date of Order
1			
2			
3			
4			

*DELIVERY SCHEDULE	1st Delivery *Date	2d Delivery *Date	3d Delivery *Date	4th Delivery *Date	5th Delivery *Date	6th Delivery *Date	7th Delivery *Date	8th Delivery *Date
ITEM 1								
Unit Quantities								
ITEM 2								
Unit Quantities								
ITEM 3								
Unit Quantities								
ITEM 4								
Unit Quantities								

Delivery Dates are **arrival dates of material at Purchaser's Plant. **Installment** deliveries **must** be scheduled when **partial** deliveries will meet requirements. If necessary, delivery schedules may be attached as a part hereof.*

16—20020

[SEE REVERSE SIDE]

Copyright, October 17, 1941, The Research Institute of America, Inc.

3. AUTHENTICATION:

I hereby certify (*a*) that the material specified in this Certificate is essential for completion of the contract(s) cited herein, (*b*) that the specified quantities are not greater than required for said contract(s), and (*c*) that the specified *Delivery Date*(*s*) in the installment Delivery Schedule on the face of this Certificate (or appended hereto) are not earlier than actually necessary for completion on time of said contract(s).

**Signature of Purchaser:*

CORPORATE NAME

By ---
SIGNATURE OF OFFICIAL

TITLE

Date ---

**Countersignature of U. S. Government official:*

/s/ ---
NAME

TITLE

STATION

Date ---

**This Certificate is not valid unless this Authentication is countersigned by the appropriate U. S. Government official and (if extended as provided in Paragraph 2) signed by the Purchaser.*

THIS CERTIFICATE IS NON-TRANSFERABLE

By Authority of

E. R. STETTINIUS, JR.,
Director of Priorities.

NOTICE TO SUPPLIER

1. The purpose of this Preference Rating is to insure delivery on the *Required Delivery Date*(*s*) insofar as such delivery can be effected without prejudice to contracts and orders bearing equal or superior Preference Ratings but, if necessary, subordinating other contracts or orders placed with you for private account or for export. Preference Ratings, in order of precedence, are AA, A–1–a, A–1–b . . . A–1–j, A–2 . . . A–10, etc.

2. If the Supplier is, or anticipates that he may be, unable to meet the *Required Delivery Date*(*s*), the reasons therefor, together with attendant facts and circumstances, and the extent of the delay anticipated should be reported immediately to the U. S. Government official countersigning this Certificate.

16—20020 GPO

Distribute copies of this Certificate in accordance with instructions printed on each copy

ORIGINAL—TO BE FORWARDED TO AND RETAINED BY SUPPLIER

R·937. Preference Rating Certificates for Army and Navy subcontractors. Form PD-3 is used for the extension of a Preference Rating Certificate for Army and Navy subcontracts. In such cases it is filled out as follows: On the first line of the certificate's first page the name of the supplier is placed. (This is the person against whom the Preference Rating Certificate is being filed.) In the space where the name of the person with whom the Army or Navy has contracted is to be placed, the name of the *prime* contractor will be put. This is true no matter how far down the line the preference rating is extended; the same name will be placed in this space on all Preference Rating Certificates, Form PD-3. The space under paragraph 1 of the form, wherein the name and description of items, etc., are to be placed, should be identical with that of the Preference Rating Certificate on the prime contract.

The biggest difference in filling out a subcontract Preference Rating Certificate is that paragraph 2 of the form is not made void by marking with a rubber stamp but filled in. Under paragraph 2 the name and description of the item would be the name and description of the item ordered by the purchaser from the supplier.

Illustration: The ABC Company has a prime contract for tanks. In those tanks electric motors are to be used. The ABC Company enters into a subcontract with the XYZ Company for electric motors. It finds that the XYZ Company, in order to deliver on time, must have a preference rating. The ABC Company applies to the inspecting or contracting officer for an extension of its preference rating to the XYZ Company. On the granting of that extension, the contracting officer fills in paragraph 2 of Form PD-3.

R·938. Preference Rating Certificate on domestic civilian orders. Form PD-2 is used when a preference rating is assigned by the Priorities Division to material on domestic civilian order. It will be noted that this certificate differs from the other preference rating certificates (PD-3, PD-4, PD-5) in that it has no place on it for an extension of preference rating. This does not mean that the preference rating cannot be extended; it does mean that, when a contractor attempts to get a preference rating extended against his supplier, the entire cycle by which that prime contractor got his original preference rating must be gone through again to reach every subcontractor working on that contract against whom a preference rating is sought.

The form consists of one sheet made out in sextuplicate and the copies are distributed as follows: The original is to be forwarded to and retained by the supplier; the duplicate and the triplicate are to be retained by the Director of Priorities; the quadruplicate is to be forwarded to the Priorities Committee of the Army and Navy Munitions Board; the quintuplicate is to be retained by the countersigning government official; and the sextuplicate is to be retained by the applicant for the preference rating. Each of the copies carries instructions as to how it is to be distributed.

Recommendation: Be sure that your Preference Rating Certificate is countersigned by the proper officials. If it is not properly signed, it is not valid and has no force or effect.

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·939. Form of Preference Rating Certificate on domestic civilian orders. The following is the text of the Preference Rating Certificate on domestic civilian orders (Form PD-2) which consists of variously colored copies in sextuplicate:

Form PD-2

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D. C.

PREFERENCE RATING CERTIFICATE **C- 1663**

To _____
NAME OF SUPPLIER

_____
ADDRESS

Preference Rating _____ is hereby assigned to the material described below valued at $_____ covered by Order No.(s) _____ placed with the Supplier by
Name _____
Address _____
in behalf of _____
Address _____

Item No.	Name and Description of Material
1	
2	
3	
4	
5	
6	

*DELIVERY SCHEDULE	1st Delivery * Date	2d Delivery * Date	3d Delivery * Date	4th Delivery * Date	5th Delivery * Date	6th Delivery * Date	7th Delivery * Date	8th Delivery * Date
ITEM 1								
Unit Quantities								
ITEM 2								
Unit Quantities								
ITEM 3								
Unit Quantities								
ITEM 4								
Unit Quantities								
ITEM 5								
Unit Quantities								
ITEM 6								
Unit Quantities								

**Delivery Dates are arrival dates of material at Purchaser's Plant.*

† Countersignature of U. S. Government official:

Date _____

Name/s/ _____
Title _____
Group _____

† This Certificate not valid unless countersigned by the appropriate United States Government official

By Authority of

E. R. STETTINIUS, JR.,
Director of Priorities.

16—20148

[SEE REVERSE SIDE]

PREFERENCE RATING APPLIES ONLY TO MATERIAL SPECIFIED ON THE FACE OF THIS CERTIFICATE

THIS CERTIFICATE IS NON-TRANSFERABLE

NOTICE TO SUPPLIER

1. The purpose of this Preference Rating is to insure delivery on the *Specified Delivery Date(s)* without prejudice to contracts and orders bearing equal or superior Preference Ratings. Preference Ratings, in order of precedence, are AA, A–1–a, A–1–b. . . . . .A–1–j, A–2. . . . . .A–10, etc.

2. If, in order to meet the *Specified Delivery Date(s)*, it is necessary to subordinate contracts and orders bearing no Preference Ratings or inferior Preference Ratings, the voluntary cooperation of all persons affected should be secured.

3. If the Supplier is, or anticipates that he may be, unable to meet the *Specified Delivery Date(s)*, the reasons therefor, together with attendant facts and circumstances, and the extent of the delay anticipated, should be reported *immediately* to the government official countersigning this Certificate.

16—20148 U. S. GOVERNMENT PRINTING OFFICE

Distribute copies of this Certificate in accordance with instructions printed on each copy

ORIGINAL—TO BE FORWARDED TO AND RETAINED BY SUPPLIER

R·940. Preference Rating Certificate on government orders other than Army and Navy. Where a preference rating is desired on government orders other than Army and Navy, the appropriate department official will take the matter up with the Priorities Committee of the Army and Navy Munitions Board and clear the Preference Rating Certificate through that Committee on Form PD-4. At the present time only five government agencies, other than the Army and Navy, are allowed preference ratings and have representation on this Priorities Committee. These are the Maritime Commission, Coast and Geodetic Survey, National Advisory Committee for Aeronautics, Coast Guard, and Civil Aeronautics Board. From time to time, if the situation demands, other government agencies may be added to this list. The form consists of one sheet, to be filled out in sextuplicate and the copies are distributed as follows: The original is forwarded to and retained by the supplier; the duplicate and triplicate are retained by the Director of Priorities; the quadruplicate is forwarded to the Priorities Committee of the Army and Navy Munitions Board; the quintuplicate is retained by the countersigning government official; and the sextuplicate is retained by the applicant for the preference rating.

R·941. Form for Preference Rating Certificate on government orders other than Army and Navy. The following is the text of Preference Rating Certificate, Form PD-4, which consists of variously colored copies in sextuplicate:

Copyright, October 17, 1941, The Research Institute of America, Inc.

Form PD-4

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D. C.

VG- 4903

PREFERENCE RATING CERTIFICATE

To _____
NAME OF SUPPLIER

_____
ADDRESS

1. Preference Rating _____ is hereby assigned to the item(s) described below covered by U. S. Government Contract No. _____ placed with:
COMPLETE DEPARTMENT NUMBER

Name _____
Address _____
By _____
U. S. GOVERNMENT AGENCY OTHER THAN ARMY OR NAVY

Name and description of item(s)	Unit Quantities	Approx. Value	Required Delivery Date(s)

WHEN PREFERENCE RATING IS ASSIGNED TO MATERIAL ON A SUBCONTRACT RELATED TO THE PRIME CONTRACT NAMED IN PARAGRAPH 1, PARAGRAPH 2 MUST ALSO BE COMPLETED.

If this Certificate is not to be extended to a subcontractor, the counter-signing government official will rubber stamp Paragraph 2 "VOID."

2. Preference Rating _____ is hereby assigned to the material described below valued at $_____, ordered from the Supplier by _____ for delivery in accordance with the following Delivery Schedule.

Item No.	Name and description of item(s)	Purchaser's Order No.	Date of Order
1			
2			
3			
4			

*DELIVERY SCHEDULE	1st Delivery *Date	2d Delivery *Date	3d Delivery *Date	4th Delivery *Date	5th Delivery *Date	6th Delivery *Date	7th Delivery *Date	8th Delivery *Date
ITEM 1								
Unit Quantities								
ITEM 2								
Unit Quantities								
ITEM 3								
Unit Quantities								
ITEM 4								
Unit Quantities								

Delivery Dates are arrival dates of material at Purchaser's Plant. Installment deliveries must be scheduled when partial deliveries will meet requirements. If necessary, delivery schedules may be attached as a part hereof.

[SEE REVERSE SIDE]

16—20150

3. AUTHENTICATION:

I hereby certify (*a*) that the material specified in this Certificate is essential for completion of the contract(s) cited herein, (*b*) that the specified quantities are not greater than required for said contract(s), and (*c*) that the specified *Delivery Date*(*s*) in the installment Delivery Schedule on the face of this Certificate (or appended hereto) are not earlier than actually necessary for completion on time of said contract(s).

*Signature of Purchaser:

CORPORATE NAME

By ---
SIGNATURE OF OFFICIAL

TITLE

Date ---

*Countersignature of U. S. government official:

/s/ ---
NAME

TITLE

STATION

Date ---

**This Certificate is not valid unless this Authentication is countersigned by the appropriate U. S. government official and (if extended as provided in Paragraph 2) signed by the Purchaser.*

THIS CERTIFICATE IS NON-TRANSFERABLE

By Authority of

E. R. STETTINIUS, JR.,
Director of Priorities.

NOTICE TO SUPPLIER

1. The purpose of this Preference Rating is to insure delivery on the *Required Delivery Date*(*s*), without prejudice to contracts and orders bearing equal or superior Preference Ratings. Preference Ratings, in order of precedence, are AA, A–1–a, A–1–b . . . A–1–j, A–2 . . . A–10, etc.

2. If, in order to meet the *Required Delivery Date*(*s*), it is necessary to subordinate contracts and orders bearing no Preference Ratings or inferior Preference Ratings, the voluntary cooperation of all persons affected should be secured.

3. If the Supplier is, or anticipates that he may be, unable to meet the *Required Delivery Date*(*s*), the reasons therefor, together with attendant facts and circumstances, and the extent of the delay anticipated, should be reported *immediately* to the government official countersigning this Certificate.

16—20150 U. S. GOVERNMENT PRINTING OFFICE

Distribute copies of this Certificate in accordance with instructions printed on each copy

ORIGINAL—TO BE FORWARDED TO AND RETAINED BY SUPPLIER

Copyright, October 17, 1941, The Research Institute of America, Inc.

R·942. Preference Rating Certificate on foreign government orders. Preference Rating Certificates on foreign government orders are issued on Form PD-5. Foreign government orders are handled in the same manner as are United States Government orders with one exception. Under paragraph 3, *Authentication,* the countersignature of the foreign government official contracting for the goods must be on the Preference Rating Certificate as well as the countersignature of the appropriate United States Government official. This is true both for prime contracts and subcontracts. As on the other preference rating forms, the place for the purchaser's signature is not filled in on the prime contracts. It is filled in on subcontracts, exactly as indicated in the case of the PD-3 Form outlined in ¶ R·937.

Form PD-5 consists of one sheet which is made out in variously colored copies to be distributed as follows: The original is to be forwarded to and retained by the supplier; the duplicate and triplicate are to be forwarded to the Director of Priorities; the quadruplicate is to be forwarded to the Priorities Committee; the quintuplicate and sextuplicate are to be forwarded to the President's Liaison Committee, Treasury Department, Washington, D. C.; additional copies are to be retained by the countersigning United State Government official, the countersigning foreign government inspector; and still another copy is to be forwarded to the supplier's customer.

R·943. Form for Preference Rating Certificate on foreign government orders. The following is the text of Preference Rating Certificate, Form PD-5, which consists of variously colored copies in sextuplicate, with additional copies for use as indicated in the preceding paragraph:

Form PD-5

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
PRIORITIES DIVISION
WASHINGTON, D.C.

F- 2313

PREFERENCE RATING CERTIFICATE

To _____
NAME OF SUPPLIER

_____
ADDRESS

1. Preference Rating ..... is hereby assigned to the item(s) described below covered by foreign government Contract No. _____ placed with:
COMPLETE DEPARTMENT NUMBER

Name _____
Address _____
By _____
FOREIGN GOVERNMENT AGENCY

Name and description of item(s)	Unit Quantities	Approx. Value	Required Delivery Date(s)

WHEN PREFERENCE RATING IS ASSIGNED TO MATERIAL ON A SUBCONTRACT RELATED TO THE PRIME CONTRACT NAMED IN PARAGRAPH 1, PARAGRAPH 2 MUST ALSO BE COMPLETED

*If this Certificate is **not** to be extended to a subcontractor, the countersigning U.S. government official will rubber stamp Paragraph 2 "VOID."*

2. Preference Rating ..... is hereby assigned to the material described below valued at $, ordered from the Supplier by _____ for delivery in accordance with the following Delivery Schedule.

Item No.	Name and description of item(s)	Purchaser's Order No.	Date of Order
1			
2			
3			
4			

*DELIVERY SCHEDULE	1st Delivery *Date	2d Delivery * Date	3d Delivery * Date	4th Delivery * Date	5th Delivery * Date	6th Delivery * Date	7th Delivery * Date	8th Delivery * Date
ITEM 1								
Unit Quantities								
ITEM 2								
Unit Quantities								
ITEM 3								
Unit Quantities								
ITEM 4								
Unit Quantities								

Delivery Dates are **arrival dates of material at Purchaser's Plant. **Installment** deliveries **must** be scheduled when **partial** deliveries will meet requirements. If necessary, delivery schedules may be attached as a part hereof.*

[SEE REVERSE SIDE]

16—20149

Copyright, October 17, 1941, The Research Institute of America, Inc.

3. AUTHENTICATION:

I hereby certify (*a*) that the material specified in this Certificate is essential for completion of the contract(s) cited herein, (*b*) that the specified quantities are not greater than required for said contract(s), and (*c*) that the specified *Delivery Date*(*s*) in the installment Delivery Schedule on the face of this Certificate (or appended hereto) are not earlier than actually necessary for completion on time of said contract(s).

* *Signature of Purchaser:*	* *Countersignature of foreign government official:*	**Countersignature of U. S. government official:*
..... CORPORATE NAME	/s/..... NAME	/s/..... NAME
By..... SIGNATURE OF OFFICIAL	..... TITLE	..... TITLE
..... TITLE	..... STATION	..... STATION
Date	Date	Date .....

**This Certificate is not valid unless this Authentication is countersigned by the appropriate government officials and (if extended as provided in Paragraph 2) signed by the Purchaser.*

THIS CERTIFICATE IS NON-TRANSFERABLE

By Authority of

E. R. STETTINIUS, JR.

NOTICE TO SUPPLIER

1. The purpose of this Preference Rating is to insure delivery on the *Required Delivery Date*(*s*), without prejudice to contracts and orders bearing equal or superior Preference Ratings. Preference Ratings, in order of precedence, are AA, A–1–a, A–1–b . . . A–1–j, A–2 . . . A–10, etc.

2. If, in order to meet the *Required Delivery Date*(*s*), it is necessary to subordinate contracts and orders bearing no Preference Ratings or inferior Preference Ratings, the voluntary cooperation of all persons affected should be secured.

3. If the Supplier is, or anticipates that he may be, unable to meet the *Required Delivery Date*(*s*), the reasons therefor, together with attendant facts and circumstances, and the extent of the delay anticipated should be reported *immediately* to the foreign government official countersigning this Certificate.

16—20149 U. S. GOVERNMENT PRINTING OFFICE

Distribute copies of this Certificate in accordance with instructions printed on each copy

ORIGINAL—TO BE FORWARDED TO AND RETAINED BY SUPPLIER

Extension of PD Ratings

R·944. How to extend PD-3, PD-4 and PD-5 ratings. Priority ratings issued on certificates PD-3, 4 and 5 may be extended. Extension of a PD-3 must be on a PD-3 form; extension of a PD-4 on a PD-4 form, etc. You cannot extend a PD-4 on a PD-3 form. Blank copies of these certificates may be obtained at any Army Procurement District Office or Navy Inspection Office. Copy paragraph one from the original, and fill in paragraph two, specifying the deliveries to which you want the rating extended. Send this filled-in form to the contracting officer or an inspector. He will check the items on which you want to extend your rating against the Priorities Critical List and then against the materials you are to produce and deliver under your prime contract.

Army and Navy contracting officers and inspectors, prior to authorizing extensions must determine the following:

(1) That the material for which an extension of rating is requested is essential to the completion of the contract.

(2) That the amount of this material is reasonably necessary for the contract with rating being extended.

(3) That the required delivery date, as specified on the certificate, is in accordance with that necessary to make scheduled delivery on the contract.

(4) That the item to which the rating is being extended appears on the Priorities Critical List.

If the answer to all these questions is *yes*, the extension will be authenticated, and then the rating will be applied to the subcontract and supply order by simply serving the authenticated certificate on the supplier.

R·944.1. How to fill out paragraph one of Forms PD-3, 4, and 5. In *all* cases the first paragraph of the PD-3, 4 or 5 form which you will fill out for extension will be *exactly* like the first paragraph of the preference rating certificate which has been served on you. Probably the most common error made in filling out PD-3, 4 and 5 for extension is not putting the proper information in paragraph one. By following the above recommendation you are sure of getting that paragraph properly done.

R·944.2. How to fill out paragraph two of PD-3, 4, and 5. When you fill out paragraph two in extending the preference rating, your name goes in the blank following the phrase "ordered from the supplier by ....." Your delivery dates and schedules go in the blank scheduling chart.

R·944.3. How to fill out paragraph three of PD-3, 4, and 5. In getting your extension authenticated, you will expedite matters by requesting such authentication from an authorized officer of the same supply arm or service as that which awarded the prime contract.

Illustration: Don't ask a quartermaster corps officer, for example, to authenticate a priority extension on an ordnance contract. The quartermaster corps officer has the power to sign such extension. But in so doing, he is *in effect* stating that he is

thoroughly familiar with the contract and that in his opinion it is necessary to extend the priority rating to complete the contract on schedule. If he is from a different branch of the service, he may not be familiar with the contract and needless delay in rerouting the PD-3 to the proper officer may result.

R·944.4. Extension of PD-3 ratings streamlined for orders under $500. You don't need a government countersignature on an extension of a preference rating granted under a PD-3 application if the extension is applied to *your* orders for material up to $500 value. Certify on such purchase orders for material to be *physically included in your* finished products: (1) the rating applicable to the prime government contract (automatically applicable to your own purchase order); (2) the name of the issuing Army or Navy Bureau; (3) the number of the prime contract; (4) the serial number of certificate being extended. After making these statements on the order, add the wording of paragraph three of the PD-3 Form (see ¶ R·936) and see to it that it is signed by a responsible officer of your firm. Send a copy of the order to the supplier of the material, the supply arm with which you are working (e.g., the Ordnance Department) and the Director of Priorities.

Supplement No. 6 to Administrative Order No. 1—Temporary Method of Extension of PD-3's

Extensions of preference ratings by the Priorities Committee of the Army and Navy Munitions Board and by the contract or procurement officers and inspectors of the Army and Navy in amounts of less than $500.00 are authorized in the manner set forth in the following form of telegram:

Pursuant to authority from Director of Priorities, even though PD-3 Forms are available, where the amount in an individual purchase order involved is less than $500.00 and material covered is to be physically incorporated in the finished product covered by the Certificate being extended, preference ratings may continue to be effected by certifying on purchase orders the rating applied, name of issuing Bureau, number of prime contract, serial number of Certificate being extended, description, quantity and delivery date of items ordered under prime contract, followed by the authentication of Paragraph No. 3 of the present PD-3 Form. Certification on the purchase order must be signed as formerly, but need not be countersigned where within limits above set. Copies of purchase orders so certified should be distributed to supplier, supply arms office or bureau initiating prime contract, and Director of Priorities. If rating on prime contract is split, the rating on extension should be explained by notation.

This authority is not applicable to any extensions or re-extensions on productive equipment, operating supplies, maintenance or repair or construction of facilities.

December 16, 1941 **DONALD M. NELSON, *Dir. of Priorities.***

R·944.5. Who can authenticate PD-3, 4, and 5. A list of Army and Navy officers who may authenticate forms can be obtained by writing to the field office of the Priorities Division nearest you. The field office may refer you to the most convenient and nearest office authorized to authenticate your forms rather than sending the complete list.

R·945. Extension procedure for sub-subcontractors. If you are a sub-subcontractor, it may save you time to go to the person who served the rating on you in order to get the rating extended further. Just tell him that you can't fill his order without getting a preference rating. He will then take up the matter with the prime contractor or the proper Army or Navy Officer for authentication of the

Copyright, December 30, 1941, The Research Institute of America, Inc.

extension. Being in closer touch with the prime contractor or the officers, he can usually get faster action than you would be able to get.

R·945.1. How to apply for a re-rating. As the contract performance moves along, certain choke points may be developed in the manufacture of some important component wherein a local investigation reveals that the existing preference rating is not adequate to break this jam. In such cases, reports are made showing all facts in the case through the interested Service Chief to the Army and Navy Munitions Board Priorities Committee. This body then makes an investigation as to the importance of assigning a higher priority to relieve the choke point, including the adverse effect which this higher priority will have on other higher rated items. If the merits of the case justify it, a higher rating is authorized and its use limited to the circumstances decided by the Committee. The administrative use of the higher rating then follows the usual automatic procedure. It is important to point out here, however, that the authority for revising preference ratings vests only in the Army and Navy Munitions Board and that the local procurement officials in the field cannot make these adjustments themselves.

recommendation: Occasionally completion of a contract on schedule will require application for a preference rating not covered by the Priorities Critical List. Although the Critical List is revised approximately every month, these cases are frequently so urgent as to require special treatment. When they arise, the same procedure applies as was followed for the adjustment of assigned priorities. A statement of the facts starts from the field, goes through the Chief of Service and to the Army and Navy Munitions Board. In this case, however, power of decision does not vest solely in the Army and Navy Munitions Board but has to be referred to the Director of Priorities. If the use of a preference rating is concurred in for the particular material, the authority goes back to the procurement official in the field and the usual automatic procedure is followed.

R·945.2. Urgency ratings. In the case of the procurement of machine tools there is an additional mechanism which does not actually assign a preference rating but does assign a relative urgency number to selected prime contractors for the purpose of establishing their order of preference for machine tool deliveries. This urgency list has been prepared by the Army and Navy Munitions Board and is used by all machine tool builders in scheduling their deliveries. Under its provisions all the A-1-a tool orders are delivered in the assigned numerical order to listed contractors in the A-1-a group. Following this, deliveries are scheduled to A-1-a orders which are not assigned a relative urgency number. This same procedure is followed throughout the lower preference rating groups A-1-b, A-1-c, etc.

R·946. Form PD-81—report of preference-rated purchase orders placed with suppliers. Reproduced below is Form PD-81, report of preference-rated purchase orders placed with suppliers:

PD-81 (Carry report forward upon PD-81 Follow Sheets)

(This form may be reproduced by reporting firm)

Sheet No. 1 of _____ sheets, attached.

Report for Month Ending _____, 194__.

TO: DIRECTOR OF PRIORITIES,
OFFICE OF PRODUCTION MANAGEMENT
WASHINGTON, D. C. Attention: B.R.& S.

REPORT OF PREFERENCE RATED PURCHASE ORDERS PLACED WITH SUPPLIERS PURSUANT TO PRIORITIES DIVISION ORDER No. ____, Serial No. _____

Identification of PRODUCER to whom ORDER was issued originally:

_____ Name of Producer _____ Address of Producer

Name and Address of Supplier (or subcontractor)	Is supplier a manufacturer?	Items Ordered: Give generally understood description rather than detailed specifications or catalog number.	Unit Quantities	Total Value of each entry	Delivery schedule agreed to by supplier (or subcontractor)

The undersigned, pursuant to Priorities Division Order No. _____, Copy or Serial No. _____, hereby certifies to the Director of Priorities of the Office of Production Management, that this report, set forth upon sheets, of which this certification appears upon the first, contains a true and correct description of all of the contracts or purchase orders for deliveries to which the rating assigned by said Order has been applied during the specified report period; and that said applications were made in accordance with the provisions of said Order.

_____, By _____ _____

Legal Name of Reporting Firm — Signature of Authorized Agent — Title

Address: _____

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation in any matter within the jurisdiction of any department or agency of the United States.

7100

(The next page is 24,353)

Copyright, December 30, 1941, The Research Institute of America, Inc.

(This form may be reproduced by reporting firm)

PD-81 Follow Sheet—ONLY for CONTINUATION of Report PD-81

Sheet No. ..... of ..... sheets, attached.

Report of ..... pursuant to Priorities Division Order No. .....,
Legal Name of Reporting Firm

Copy or Serial No. ..... Report for Month Ending ....., 194...

Name and Address of Supplier (or subcontractor)	Is supplier a manufacturer?	Items Ordered: Give generally understood description rather than detailed specifications or catalog number.	Unit Quantities	Total Value of each entry	Delivery schedule agreed to by supplier (or subcontractor)

R·947. Form PD-81A—alternative form of report. Reproduced below is the text of Form PD-81A, alternative form of report to Form PD-81:

PD-81A

ALTERNATIVE FORM OF REPORT

TO: DIRECTOR OF PRIORITIES
OFFICE OF PRODUCTION MANAGEMENT
WASHINGTON, D. C.

Use this form ONLY when expressly authorized so to do by the terms of the Order under which reporting, AND DO NOT execute this form if you have reported fully on Form PD-81.

CERTIFICATION TO ACCOMPANY PURCHASE ORDERS FURNISHED BY REPORTING FIRM

Report for Month Ending ....., 194.....

The undersigned, pursuant to Preference Rating Order No. P-....., Copy or Serial No. ....., hereby certifies that the attached and enclosed purchase orders are true and correct copies of all such orders for deliveries to which said Order has been applied during the specified report period; and that said applications of the preference rating were made in accordance with the provisions of said Order.

.....
Legal Name of Reporting Firm

By.....
Signature of Authorized Agent

.....
Title

(Section 35A of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

(This form may be reproduced by reporting firm)

R·948. Form PD-165—request for name of supplier. Reproduced below is Form PD-165, request form for name of supplier:

PD-165
10/27/41

OFFICE OF PRODUCTION MANAGEMENT
DIVISION OF PRIORITIES
WASHINGTON, D. C.

PD-1 Case No. .....

REQUEST FOR NAME OF SUPPLIER
(To be returned in duplicate)

....
Name of Applicant **Address**

It is requested that you fill in the name of the Supplier upon whom the attached Preference Rating Certificate is served and return (in duplicate) within ten days after service, to the Office of Production Management, Division of Priorities, Control Officer.

....
Name of Supplier **Address**

Date ....
Signature of Official and Title

R·949. Form PD-82—application for deliveries of scarce materials for defense products. Reproduced below is Form PD-82, application for deliveries of scarce materials needed for defense products:

Copyright, November 22, 1941, The Research Institute of America, Inc.

PD-82
9/11/41

OFFICE OF PRODUCTION MANAGEMENT
DIVISION OF PRIORITIES
WASHINGTON, D. C.

Route To: _____

APPLICATION FOR PREFERENCE RATING FOR DELIVERIES OF SCARCE MATERIALS NECESSARY FOR DEFENSE PRODUCTS

Please follow instructions on reverse side

a. _____ (Name of Applicant) _____ (Department, Division or Plant) _____ (Address)

b. Give number of Limited Preference Rating Order for which application is made P-_____ c. Serial No. _____

d. Period for which application is made: Beginning _____, Ending _____. ("Current Period")

g. State number of additional copies of the Order required by the Applicant for his use and distribution to his Suppliers. _____

e. Estimated proportion of DEFENSE PRODUCTS volume to total dollar volume in current period _____ %.

Indicate basis of comparison: Order volume ☐ Shipment volume ☐ Production volume ☐ Other (specify) _____

f. DEFENSE PRODUCTS: List items produced as specified in accompanying letter or Order directed to you.

h. Estimated percent change in production for each item in current period as compared with preceding period.

Increase	Decrease

		Statement for Preceding Period				Requirements for Current Period		
Description of Scarce Material or Part for which Preference Rating is Requested	Unit of Measure	Inventory Beginning of Period	Received During Period	Used During Period	Inventory End of Period	Total for ALL Products	Total for DEFENSE Products	For Use of Priorities Division
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

CERTIFICATION

The undersigned Applicant hereby certifies to the Director of Priorities that:

(1) He executed the foregoing report on behalf of and by authority of the above named Applicant;

(2) The facts stated above are, to the best of his knowledge and belief, true and correct;

(3) The estimates of requirements of Scarce Materials or Parts for DEFENSE PRODUCTS have been arrived at from the books and records of the Applicant and have been determined in a reasonable and prudent manner;

(4) That none of the Scarce Materials or Parts, delivery of which has been secured by application of Preference Rating Order No. P-____ have been diverted to uses other than prescribed by the order;

(5) That the quantities of Scarce Materials or Parts set forth in Col. 8 above are required for the production of DEFENSE PRODUCTS listed in Par. f.

Date _____ By _____
(Signature and Title of Official)

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

RECOMMENDATION

a. ☐ Issue Limited Preference Rating Order No. P- _____

b. ☐ Assign Preference Rating _____

c. ☐ Other Action (specify) _____

_____

_____
_____ Branch

AUTHORIZATION

The Director of Priorities of the Office of Production Management hereby assigns the Preference Rating shown below to deliveries in the current period of the quantities of Scarce Materials shown in Col. 8 above, except as they may be modified in Col. 9, and the Applicant is authorized to advise his supplier(s) accordingly.

Preference Rating

INSTRUCTIONS

PURPOSE: This form is to be used in applying for the issuance of a Limited Preference Rating Order assigning priority rating to deliveries of scarce materials or parts necessary to the production, in the period specified, of DEFENSE PRODUCTS.

DEFENSE PRODUCTS means those particular items produced by the Applicant, that are covered, as defined, in the applicable Limited Preference Rating Order, or as described in the Announcement thereof.

PRECEDING PERIOD means the period of three months next preceding that period for which assistance is required.

CURRENT PERIOD means each period of three months for which assistance is required.

Execute and submit three copies of this form, certified by an authorized official of the Applicant, on or before the date specified in the Order or Announcement thereof, to the Office of Production Management, Social Security Building, Washington, D. C.

In the event deliveries of scarce materials must be scheduled more than three months in advance, attach additional forms as prescribed above, for each succeeding three month period.

If additions to scheduled production of DEFENSE PRODUCTS in the current period should require quantities above those requested, and certified to in this application by the Director of Priorities, file an interim application on Form PD-82 for such additional requirements covering the balance of the current period.

Execute the Form on the Reverse Side as Follows

a. Name of Applicant—Enter the name of the company which is making application for assistance in obtaining scarce material necessary for the production of DEFENSE PRODUCTS.

b. Number of Limited Preference Rating Order—Insert the number of the Limited Preference Rating Order for which application is made as described in the Announcement.

c. Serial Number—The Serial Number is assigned by the Division of Priorities to the first application, a copy of which is returned to the Applicant, who must then use that same Serial Number to identify all applications under the same Order for subsequent periods.

d. Period for which Application is Made—Show the beginning and ending dates of the period for which application is made.

e. Estimated proportion of DEFENSE PRODUCTS—Give the estimated proportion of DEFENSE PRODUCTS dollar volume to total dollar volume for the current period for which application is made, indicating the basis of comparison.

f. DEFENSE PRODUCTS—List those items produced by you for which assistance in obtaining deliveries of scarce material is provided for by the applicable Limited Preference Rating Order, or as specified in the letter accompanying this application.

g. Number of Additional Copies—State number of additional copies of the Order required by the Applicant for his use and distribution to his Suppliers as described in the Order or Announcement thereof.

h. Estimated percent change—Show the estimated percent change in production for each item in the current period as compared with the preceding period, based on any consistent measure of production as commonly used in the industry. Place in the appropriate column, according to whether production is increased or decreased.

Col. No.

1. *Description of Scarce Material or Part*—Describe the items for which the Applicant requires preference rating to obtain deliveries from his Suppliers in order to fulfill scheduled production of the DEFENSE PRODUCTS as listed. Detailed description of the material required is not desired (use generally understood terms but do not use catalog or specification numbers).

2. *Unit of Measure*—Give the unit in which the material or part is measured, such as pound, ton, dozen, gallon, etc.

In declaring inventory, include inventory of any affiliate, subsidiary, or parent corporation which is available to the applicant, unless such organization is making application separately. If in doubt as to whether such other inventory should be included, report name of company excluded and circumstances.

3. *Inventory Beginning of Period*—Enter the total quantity of the material or part which was on hand as of the first day of the preceding period.

Copyright, November 22, 1941, The Research Institute of America, Inc.

4. ***Received During Period***—Enter the total quantity of the material or part received during the preceding period.

5. ***Used During Period***—Enter the total quantity of the material or part used during the preceding period.

6. ***Inventory End of Period***—Enter the total quantity of the material or part which was on hand as of the last day of the preceding period. (Col. 3 plus Col. 4 minus Col. 5 equals Col. 6.)

7. ***Total for ALL Products***—Enter the total quantity of the material or part, delivery of which is necessary to carry on ALL production, regardless of whether Defense or Non-defense during the current period.

8. ***Total for DEFENSE PRODUCTS***—State the total quantity of the material or part, delivery of which is necessary to complete production of the DEFENSE PRODUCTS as listed, for the current period.

   When requirements for production of DEFENSE PRODUCTS are smaller than the minimum production quantity or commercially procurable quantity, report in Col. 8 the minimum quantity obtainable, together with an accompanying explanation. When, under this provision, the Applicant has been given a preference rating on a larger quantity of material than his volume of DEFENSE PRODUCTS business indicates, such excess must be taken into account by the Applicant in all future requests for assistance on that scarce material.

These figures (Col. 7 and Col. 8) represent the net amounts required, arrived at by taking the gross requirements for scheduled production for the current period minus the amount on hand in inventory as of the close of the preceding period minus, also, amounts included in undelivered preference rated orders as of the close of the preceding period.

9. ***For Use of Priorities Division***—Leave this column blank.

CERTIFICATION—Insert the number of the order in paragraph 4 and execute the Certification.

Recent Developments

R·6,000. Priority powers for Maritime Commission under Act of May 2, 1941. The Act of May 2, 1941 *(Public Law 46, 77th Congress)* provides that the furnishing of materials and the performance of work required in connection with contracts of the Maritime Commission for the acquisition, construction, alteration, repair or equipping of vessels shall, in the discretion of the President, take priority over the furnishing of materials or performance of work for private account or for export.

R·6,001. Inventory control under General Metals Order No. 1 revoked—Forms PD-19-a and PD-19-b obsolete. General Metals Order No. 1, issued by the Priorities Division on May 1, 1941, which was the first inventory control measure, was revoked September 23, 1941. This revocation was a mere formality since General Metals Order No. 1 had been superseded by the inventory requirements under Priorities Regulation No. 1. At the same time that General Metals Order No. 1 was revoked, Forms PD-19-a and PD-19-b became obsolete.

R·6,002. Protection against liability. By express enactment of Congress, manufacturers who fail to complete non-preference rated orders because of the pressure of mandatory priorities are relieved from legal liability for damages. (See ¶ R·321)

R·6,003. Centralize priority responsibility.

recommendation: Priority restrictions, priority procedures and priority red tape may call for careful adjustments in every phase of your business operations. Your purchasing, your selling, your production—no phase is immune. To hold to a minimum the dislocations, the administrative expense, the confusion which priorities may create for your business, gear your organization to handle priority problems now. It is not possible to set forth here a uniform and detailed prescription for all the internal difficulties that will come up in operating under priorities, but a basic blueprint can be laid down and a number of recomendations made.

If your business is large enough, set up a special priorities division. If the size of your business does not permit this, designate one man for the job of studying and clearing, if not actually handling, all priority problems. In many businesses several, if not all, executives are spending a good deal of their time and energy in trying to keep up to date on priority regulations and to solve all priority problems arising in the business. This not only interferes with and disrupts the regular work but frequently the pressure of other duties deprives priority problems of the attention they require and deserve. Haphazard, decentralized handling of priority problems itself not only increases administrative expenses unnecessarily and impairs executive efficiency but may lead to costly errors and omissions in handling priorities. By assigning the study of priority regulations and the handling of priority problems to one person in one department, the other executives are left free to perform their regular assignments and the firm will benefit by a more efficient and expert handling of priority problems.

R·6,004. Getting geared for priority problems.

recommendation: Whether you create a priority department, designate a man to give his full time to priority problems, or merely assign one man to handle priority problems together with his other work, the importance of selecting the right man for the job cannot be overestimated. The qualifications to look for are briefly these:

(1) Ability to understand and grasp the basic pattern, principles and philosophy of priorities.

(2) Ability to understand and to absorb quickly and thoroughly a large amount of printed matter.

(3) A broad knowledge of your business, the operation of the various departments of the company, the materials you need, your buying, scheduling, selling and delivery practices and procedures.

(4) An intelligence which will permit him to spot quickly those priority developments which affect your business.

(5) An imaginativeness which will enable him to recommend accurately adjustments and adaptations of your buying, selling produc-

Copyright, April 8, 1942, Research Institute.

tion, scheduling, inventory and shipping practices to make them conform with priority rules.

(6) An ability to enlist the cooperation of other executives in other departments to coordinate and analyze information obtained from them and to coordinate their activities to meet priority problems.

(7) An ability to explain accurately and clearly to the departments and to customers what priorities require and why and how regular policies, processes and procedures must be changed.

R·6,005. What your priorities department should do.

recommendation: (1) Keep posted on all priorities regulations, instructions and interpretations which affect your business.

(2) Explain these regulations to your purchasing, production and other department heads, and answer all inquiries on priorities problems.

(3) Constantly check to see that all departments are complying with priorities regulations.

(4) Take whatever steps are necessary to obtain maximum quantities of scarce materials which priorities regulations permit.

(5) Keep purchasing, production and sales departments posted on quantity of scarce materials which will be available so that they can make the proper adjustment.

(6) Advise department heads of scheduling steps which are necessary to comply with priorities regulations.

(7) Handle all priorities applications and certificates in dealing with government agencies, suppliers and customers.

(8) Check to see that records and other data which priorities require are readily available.

(9) Supervise the filing of all reports and other papers required by defense agencies.

(10) Advise customers of delays in their orders which are caused by necessity of handling orders bearing higher ratings and work with customers to schedule delivery dates in a manner which will best solve the production and priorities problems of both parties.

(11) Check with suppliers and subcontractors to see that they have taken whatever steps priorities regulations require to assure the reliable flow of scarce materials to your plant.

R·6,006. What the sales department can do.

recommendation: Each department in your firm may be able to contribute something to solve your priorities problems. The centralized priorities department will take a large part of the heat off other departments, relieving them of paper work, keep them informed, coordinate their activities into the priorities pattern, etc. The sales department can best be assigned the job of gathering reports, other papers and information which must be obtained from your customers. Among the duties which can be assigned the sales department are the following:

(1) The securing of customers' sworn statements whenever required by priorities regulations.

(2) The obtaining of preference rating certificates when these are available and needed.

(3) Securing affidavits and other data necessary to establish the defense status of an unrated order.

(4) Obtaining data on the status or the use to which your product is to be put and whether it qualifies under a civilian classification or use which is accorded preferential status.

(5) Establish the principle in your sales department that no order may be filed away until all the information, papers, etc., needed have been received.

Have someone connected with your sales staff follow up these matters. You will find it necessary to address your customers repeatedly to obtain data, papers, etc., which priorties call for. In some cases it may be worthwhile to mimeograph or multigraph form letters requesting certificates, statements of use, etc. When a preference rating certificate comes in, its number and rating should be stamped on the order which it covers, and this information passed on to the production department. The original certificate, customers' statements, etc., may be handed over to your priorities man for filing purposes. You may want to use your sales department to assist in establishing the exact proportion of defense and non-defense business handled for your company. You want to be able to show quickly to what extent you are engaged in work for defense and essential civilian orders. If you collect this information currently and keep it readily available you will save time and expense when you want to produce these data. You want to keep the same kind of

figures on the ratio of various types of ratings carried by incoming orders. You may want to revise your sales journal or whatever books of original entry you may use to give you a current breakdown of your defense and non-defense operations, your A-1, A-3, A-8 ratings, etc.

R·6,007. What your shipping department can do.

recommendation: In most firms the shipping department works under close supervision or closely with the sales department. Shipping records should be adjusted to show a clear breakdown of shipments according to preference ratings. This kind of data, too, will help to prove compliance with priorities regulations.

R·6,008. Production department.

recommendation: All releases from the sales and schedule department to the production department should carry the number of the preference rating, certificate and the priorities rating (if any). The production department in all its requests to the stock control department should repeat this number and rating and consider the material released on the basis of such a request as "ear-marked" for the specific order. In many cases unintentional violations of the priorities regulations result because the production department uses available material without considering preference ratings. Unless careful control is exercised at this point, scarce materials which have been obtained for use in priorities rated orders may find their way into production lines turning out non-defense articles. By using the most exact identification you find practical to ensure that materials taken out of inventory for preference-rated orders are actually used in those orders, you will facilitate the work of your production men and guard against possible penalties for violating priorities rules.

observation: When priorities strike, or better still, before priorities strike the particular materials used, the production department should take steps to conserve the scarce materials or to find substitutes. Detailed memoranda on efforts made in this direction may help in obtaining future allocations of scarce materials.

R·6,009. How stock control should be handled.

recommendation: This is perhaps the vital spot in complying with priorities rules. Your stock control man should be carefully instructed in the new obligations priorities place upon him, and impressed with the importance of complying with priorities regulations. The employees in charge of scheduling and production should notify the stock control men of all scarce material requirements, giving the number of the preference rating certificates and the priorities rating (if any) carried by the order into which those scarce materials are to go. In requests to the purchasing department, the stock control men will repeat these numbers and ratings so that each order for scarce materials can be properly supported. When the material obtained with preference ratings is received the stock control men should release it to the production men only on the basis that it will go into production carrying that preference rating.

In storing scarce materials you will be required to enforce more control than normally. Separate stock control cards should be kept for each of the various kinds and shapes of priorities control materials. If you store your raw material in several warehouses or several parts of one warehouse, use master control cards to show changes in your various stock piles and thus give a complete picture of all of your inventory. Entries on your inventory control cards or books should be made daily wherever feasible. For all scarce materials they should show the preference rating certificate number and rating under which the material was obtained, and the number of the order for which it is to be used. Material entering work in progress should be shown clearly, separated from your unused inventory.

R·6,010. What the purchasing department can do.

recommendation: In most firms the purchasing department has been saddled with the priorities job. A separate priorities department will relieve this important department of a vast amount of detail. Purchase orders calling for material under priorities can be turned over to the priorities department to be cleared. The purchasing department can stamp the order with a statement identifying the order number, preference rating certificate number of priorities rating, for which the material to be purchased is to be used. The priorities department can get required extensions of priorities ratings, prepare and file customers' statements, customers' certificates and any other papers required. It is advisable

Copyright February 11, 1942, Research Institute.

to stamp on the original and all copies of the purchase orders involving priorities-controlled materials instructions to contact the priorities man who is handling the order for further information. This will ensure that all inquiries by your supplier, your production department, your stock clerk, etc., will be directed to the proper place. No amount of decentralization will entirely relieve your purchasing department of the important priorities responsibilities. This department will have to work very closely with any priorities department you are able to set up. As a matter of fact, it may be best to set up the priorities department within the purchasing department. Where one man is assigned to the priorities job, he can perhaps be best placed with the purchasing department. Likewise, if one man is assigned the priorities job in addition to other work, a member of the purchasing department will frequently be the logical candidate.

The purchasing department will have to carry out its regular shopping job with priorities trouble in mind.

Orders will have to be placed in those firms not loaded up and least likely to be loaded up with orders from other customers carrying ratings higher than yours. Your purchasing department will have to maintain the closest kind of contact with suppliers to learn when an influx of orders carrying higher ratings has pushed your orders so far into the background that delivery dates cannot be met. You will have to use your past record as a customer, your future stability and just plain good salesmanship in getting suppliers to make generous deliveries of scarce materials left over after defense needs have been taken care of where those deliveries may be made at the discretion of the seller. The purchasing department will have to keep an eye out for places where priorities control will strike next and take steps to develop and buy substitutes, and will have to line up subcontractors where subcontracting work will fill the gap created by the fact that you cannot procure priority-controlled machine tools.

R·6,011. Inspection of records. When the priorities inspectors come around, they will want to check carefully through all of your purchasing, sales, and inventory records. In some cases they will want to make at least physical spot checks of inventories. To summarize briefly they will look for:

(1) Data on all contracts or buying or purchasing orders made by you. They want to know when orders were placed, what ratings and priorities certificates, if any, were assigned to those orders, when deliveries were promised and when deliveries were actually received.

(2) Data on all contracts and purchase orders placed with you by your customers—what priorities certificates and preference ratings were assigned by your customers to these orders, delivery dates promised, and when deliveries were actually received. If deliveries under defense orders were not filled on schedule, they may want to compare the time in filling defense orders with that in filling non-defense orders. They may want to check production schedules to see whether you gave preference-rated orders the required priority.

(3) Details of all defense orders accepted, offered, or rejected. If you found it necessary to reject defense orders, you should be in a position to show in detail just why you rejected those orders.

(4) Data on your inventory—quantities of materials on hand. Receipts may be compared with your purchasing records. Withdrawals may be checked against your deliveries on defense orders, rated non-defense orders, etc. Your use of preference ratings to replenish inventories will be carefully scrutinized.

recommendation: If a priority system may be established for a material vital to your business, study the record and report forms used in already existing priority set-ups. Learn the procedure now. You will have a head start on your competitors if you know the methods in advance.

R·6,012. Allocation of material for Latin America for first quarter 1942. Allocations of materials for Latin American requirements, as announced January 15, 1942 by the Director of the Division of Purchases, OPM, are as follows for the first quarter of 1942:

Acetone	100,000	pounds
Ammonia, anhydrous	795,000	"
Ammonium sulphate	10,100,000	"
Aniline	95,000	"
Carbon tetrachloride	140,000	"
Caustic soda	35,000,000	"
Chroline	500,000	"
Chromium tanning chemicals	565,000	"
Citric acid	620,000	"
Copper sulphate	17,500,000	"
Formaldehyde	175,000	"
Glycerine	350,000	"
Methyl alcohol	55,000	gallons
Phosphorus	69,000	"
Plastics	150,000	pounds
Potash salts	3,500,000	"
Potassium permanganate	50,000	"
Soda ash	47,500,000	"
Sulphuric acid	2,000,000	"
Superphosphate	17,500,000	"
Tungsten	2,500	"
Platinum	4,500	ounces
Rayon	3,300,000	pounds
Nickel	15,000	"
Miscellaneous farm equipment	$13,000,000	

R·6,013. Priorities Regulation No. 3.

The following Regulation is issued by the Director of Priorities to promote the defense of the United States and for the purpose of improving and facilitating the operation of the Priorities System.

Sec. 944.23 (a) **Adoption of Revised Forms of Preference Rating Certificates.** On and after February 2, 1942, preference ratings to be assigned by Preference Rating Certificates *may* be assigned and on and after March 1, 1942, *shall* be assigned, in the manner and subject to the provisions hereinafter set forth, by revised forms of Preference Rating Certificates hereby designated as Preference Rating Certificate PD-1A and Preference Rating Certificate PD-3A, copies of which are hereto attached and made a part hereof, and hereby adopted in place of the Preference Rating Certificates Forms PD-1, PD-2, PD-3, PD-4 and PD-5; *provided*, that all Preference Rating Certificates Forms PD-1, PD-2, PD-3, PD-4 and PD-5 duly issued prior to March 1, 1942, are valid and shall continue valid in effect until termination or expiration by the terms thereof or by the circumstances or conditions of their application, or until hereafter cancelled, modified, changed or amended by the Director of Priorities.

(a) *Categories of Use of Prescribed Preference Rating Certificates.*

(1) Preference Rating Certificate PD-3A shall be used to assign preference ratings, where appropriate, to deliveries under contracts or purchase orders of the Army, Navy, Coast Guard, Maritime Commission, Coast and Geodetic Survey, Panama Canal, National Advisory Committee on Aeronautics, Civil Aeronautics Authority, Office of Scientific Research and Development, Procurement Division of the Department of the Treasury and Surplus Marketing Administration of the Department of Agriculture; contracts or purchase orders of foreign governments; and such other contracts or purchase orders as may be prescribed from time to time.

(2) Preference Rating Certificate PD-1A shall be used to assign, where appropriate, preference ratings to deliveries under all other contracts and purchase orders.

(c) *Extension of Preference Ratings to Deliveries under Contracts and Purchase Orders and Subcontracts and Suborders.*

(1) Preference ratings assigned by Preference Rating Certificates PD-1A and PD-3A may be extended to deliveries under contracts and purchase orders and subcontracts and suborders by endorsing on the purchase order or other equivalent document furnished to the Supplier or Subsupplier a Certification in the form prescribed by the appropriate certificate, filled in and manually signed by an official of the purchasing company duly authorized for such purpose.

(2) In cases where Preference Rating Certificates PD-3A issue under letters of intent and therefore no contract number can be inserted in the space provided in the Certification form, reference to a footnote addition shall be inserted and in such footnote the Supply Arm or Bureau of the Army or Navy or other government agency issuing the letter of intent and the date of such letter, together with any identification symbol on such letter, shall be stated.

(3) A Supplier or Subsupplier who has received two or more contracts or purchase orders bearing ratings of the same grade originally assigned by Preference Rating Certificates PD-1A and PD-3A, may include in a single contract or purchase order, and (within the limitations of (e) hereof) may extend such rating to, any or all of the material which he in turn requires to make delivery in accordance with such contracts or purchase orders or to replace in inventory material so delivered, but must specify in the Certification endorsed on such single purchase order or equivalent document all of the Preference Rating Certificate Form Numbers and corresponding Serial Numbers of the ratings which have been so received by him and pursuant to which he is extending the rating. All spaces must be filled in where applicable.

(d) *False Statements.* The execution and transmission of the Certification above set forth to a Supplier or Subsupplier shall be deemed a representation to the Office of Production Management for the purpose of Section 35(A) of the Criminal Code (18 U.S.C. 80), which makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

(e) *Restrictions on Extension of Ratings Assigned by a Preference Rating Certificate PD-1A or PD-3A.*

(1) A Supplier or Subsupplier may extend the preference rating only to:

(i) deliveries of material which will be physically incorporated into material to be ultimately delivered by him or by another Supplier to the original recipient of the preference rating, or to deliveries of material which will itself be ultimately delivered by him or by another Supplier to the original recipient of the preference rating, or which will be used, within the limitations of paragraphs (e) (1), (2) and (3) hereof, to replace in inventory material so delivered;

(ii) material which is neither greater in quantity nor to be delivered on dates earlier than required to make on schedule a rated delivery or, within the limitations of (2) and (3) below, to replace in inventory material so delivered. Material shall not be deemed to be so required if the rated delivery may be made and a practicable working minimum inventory thereof still retained; and if, in making such delivery, the inventory is reduced below such minimum, the rating may be extended only to the extent necessary to restore the inventory to such minimum.

(2) A Supplier or Subsupplier who supplies material which he has in whole or in part manufactured, processed, assembled or otherwise physically changed, may not extend the rating to restore his inventory to a practicable working minimum unless he extends the rating before completing the rated delivery which reduces his inventory below such minimum.

(3) A Supplier or Subsupplier who supplies material which he has not in whole or in part manufactured, processed, assembled or otherwise physically changed may, in restoring his inventory to a practicable working minimum, defer extensions of the rating originally assigned by a Preference Rating Certificate PD-1A or PD-3A for such material until he can place a purchase order or contract for the minimum

Copyright, February 11, 1942, Research Institute.

quantity procurable on his customary terms; *provided*, that he shall not defer the extension of any rating for more than three months after he becomes entitled to apply it.

(4) The extension of preference ratings assigned by Preference Rating Certificate PD-3A may be made subject to such additional provisions and conditions as may from time to time be prescribed by the appropriate Supply Arm or Bureau of the Army or Navy, with the approval of the Army and Navy Munitions Board and of the Director of Priorities.

(5) Any Supplier or Subsupplier who extends the preference rating shall be subject to all of the terms and conditions of this Regulation.

(f) *Records, Audit and Inspection, and Reports.* Any person who applies for or extends a preference rating or to whom a preference rating certificate is issued, and any Supplier or Subsupplier who receives a contract or purchase order bearing a rating, shall maintain such records and shall be subject to such audit and inspection as are provided by Priorities Regulation No. 1 as the same may be amended or supplemented from time to time; and shall make such reports as may be required by the Director of Priorities from time to time hereafter.

(g) *Violations.* Any person who wilfully violates any provision of this Regulation or of Preference Rating Certificates PD-1A or PD-3A or who, by any act or omission, falsifies records to be kept or information to be furnished pursuant to this Regulation, may be prohibited from receiving further deliveries of any material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35 (A) of the Criminal Code (18 U.S.C. 80).

(h) *Reproduction of Forms.* Preference Rating Certificate Form PD-1A may be reproduced in blank by or for the user thereof but Preference Rating Certificate Form PD-3A may not be reproduced. Preference Rating Certificate Form PD-1A may be procured from the Priorities Division of the Office of Production Management or any of the field offices thereof; Preference Rating Certificate Form PD-3A may be procured from the duly authorized contracting and procurement officers and inspectors of the Army and Navy.

(i) *Effective Date.* This Regulation shall take effect the 2nd day of February, 1942.

Issued this 12th day of January, 1942.

J. S. KNOWLSON, *Acting Dir. of Priorities.*

R·6,014. OPM priority orders remain in force under Priority Regulation No. 4. All preference rating certificates issued by the Division of Priorities of the Office of Production Management were formally validated by Priorities Regulation No. 4 issued January 26, 1942:

Priorities Regulation No. 4

To validate certain forms of preference rating certificates The following Regulation is issued by the Director of Industry Operations to promote the war effort of the United States and for the purpose of facilitating the functioning of the Division of Industry Operations.

Sec. 944.24 (a) All preference rating certificates which have been or which may hereafter be duly issued over the facsimile signature of Donald M. Nelson as Director of Priorities are valid and shall continue valid in effect until termination or expiration by the terms thereof or by the circumstances or conditions of their application, or until hereafter cancelled, modified, changed, or amended by the Director of Industry Operations.

(b) This Regulation shall take effect at once.

Issued January 26, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,015. Requirements Plan AA ratings may be extended. Producers operating under the Production Requirements Plan are permitted to extend AA ratings without special permission from the Bureau of Priorities, pursuant to an amendment to Preference Rating Order P-90 issued January 30, 1942 by the Division of Industry Operations. Producers operating under the Production Requirements Plan have been forbidden to make use of any preference ratings except those assigned on PD-25A application forms. The amendment makes an exception to this rule in the case of AA ratings, to avoid delay in the handling of rush military contracts.

Amendment to Preference Rating Order No. P-90 Production Requirements Plan

Paragraph (d) (1) (iii) of Preference Rating Order No. P-90 is hereby amended to read as follows:

"(iii) The Producer may not after the effective date of this Order apply any preference ratings other than those authorized on said Form to obtain deiveries of any production Materials or any maintenance, repair, and operating Supplies, except (a) where specific authorization for such application is obtained from the Director through the Production Requirements Branch, or (b) in the case of preference ratings of AA received after the filing of said Form. This provision shall not prohibit the Producer from making application for a preference rating for Materials required for plant expansion, construction, or other capital items."

This Amendment shall take effect immediately.

Issued this 30th day of January, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,016. Form PD-25F application for aid in delivery of Production Requirements Plan materials.

PD-25F—1/6/42

Application for Assistance in Expediting Delivery of Materials Authorized Under Production Requirements Plan

P-90.....
Indicate Serial No.

....
(Name and address of applicant) (Department, division, or plant)

Classes of Products Manufactured (as shown in Section B, Col.1 of PD-25A) .....

List Only Materials Which Require Expediting Assistance
(Read Explanation Below)

Item No.	Description of Materials (1)	Unit of Measure (2)	Quarter Ending ..... Quantity Authorized (3)	Quantity Received (4)	Delivery Date Required to Meet Shipping Schedule (5)	Delivery Date Promised by Supplier with Present Rating (6)

Column 1. Use same descriptive terms as in Sections E and F, Column 1, of PD-25A.
Column 2. Use same units of measure as in Sections E and F, Column 3, of PD-25A.
Column 3. Show quantities authorized in Sections E and F, Column 8, or as modified in Column 10 of PD-25A.
Column 4. Show total quantities of rated and unrated materials received to date in current calendar quarter including quantities authorized for delivery during preceding quarters.
Column 5. Show delivery date of materials required to meet shipping schedule on rated incoming orders. In the case of partial shipments, show proportions, such as ½-2/15/41; ½-3/15/41, etc.
Column 6. Delivery dates of materials shown on the basis of present rating must be substantiated by accompanying letters from suppliers.

The applicant will show below, *for each item* listed in Column 1 above, the percentage distribution of his material requirements as placed with one or more suppliers. For example: Item No. 1, 100% with Company A. Item No. 2, 30% Company A, 30% Company B, and 40% Company C. The address and purchase order number for each supplier should also be shown. Where several purchase orders are involved, they may be listed on the reverse side of this sheet.

Item No.	%	Purchase Order No.	Supplier and Address

Certification

The undersigned hereby certifies to the Director of Priorities that:
(1) He executed the foregoing application on behalf of and by authority of the above-named Applicant;
(2) The facts stated above are, to the best of his knowledge and belief, true and correct;
(3) The amounts shown in Column 4 are in all cases the totals of physical deliveries to date in the current quarter;
(4) The dates shown in Column 5 are correct as given.

.....
(Date)

.....
(Signature and title of official)

R·6,017. Modified Production Requirements Plan—Form PD-25-X. A simplified Production Requirements Plan for manufacturers whose annual volume of business is less than $100,000 was issued January 28, 1942. The new plan, known as the Modified Production Requirements Plan, enables the small manufacturer engaged in war or essential civilian production to obtain priority assistance to meet his needs for scarce materials more quickly and easily. Applications will be received immediately under the Modified Production Requirements Plan for the full three months' period ending March 31, 1942. When assistance is granted, the quantities certified will be adjusted to those proper for the remainder of the quarter. At the same time, if desired, manufacturers may apply for their needs for the full quarter ending June 30. They may do this simply by filing a second application for that period along with the first one. Or, they may file this second application at a later date. Application blanks in a new form, PD-25-X, may be obtained from the Small Business Section of the Production Requirements Branch, War Production Board, in Washington, or from the Branch Offices of the War Production Board located in principal cities throughout the country. A small manufacturer in applying for priority assistance under this plan is required to fill out only a one-page blank, Form PD-25-X. With the application blank the manufacturer will be furnished a list of raw materials called Materials List No. 2. If the manufacturer is unable to supply all of the information indicated by the application form, he may nevertheless submit his application with such information as he can furnish and the application will be given full consideration.

Copyright, February 11, 1942, Research Institute.

An important feature of the plan is the opportunity it gives an applicant to report the power-driven equipment and machinery in his plant. A copy of the application containing this information will be given to the Division of Industry Operations. Each applicant under the plan must fill out five copies of Form PD-25-X. He will retain one copy and send the other four to the Small Business Section, Production Requirements Branch, War Production Board, Washington, D. C. If the priority assistance is granted, a certified copy will be returned to him, specifying the kinds and quantities of materials for the purchase of which he may use the priority rating or ratings assigned to him. Applications for additional priority assistance may be filed during any quarter if the pattern of orders filled by a manufacturer or his volume of business changes substantially during the quarter. When priority ratings are assigned on Form PD-25-X, they may be used to obtain the authorized quantities of materials simply by writing a prescribed endorsement on purchase orders signed by a designated official of the applicant company. The rating may be extended by suppliers and sub-suppliers of the original applicant to obtain delivery of materials which are to be physically incorporated in the applicant's products. However, manufacturers who operate under this plan may not use any preference ratings other than those authorized on Form PD-25-X, without specific permission from the Director of Priorities, except when they use the A-10 rating assigned by Preference Rating Order P-100 to obtain repair, maintenance and operating supplies.

Copyright, February 11, 1948, Research Institute.

PD-25-X
1-14-42

(For use ONLY by *manufacturers* with sales volume less than $100,000 in 1941)

WAR PRODUCTION BOARD
DIVISION OF PRIORITIES
WASHINGTON, D. C.

NOTE

Attach a catalogue or other complete description of products

APPLICATION FOR PRIORITY ASSISTANCE
UNDER
MODIFIED PRODUCTION REQUIREMENTS PLAN

For Calendar Quarter ending _____ 1942

Submit four copies addressed to Division of Priorities, Washington, D. C., Reference LP.
Read instructions in Section A (on back of form) carefully before filling out form

DO NOT USE

Co.					
Ind.					
St.					
P. N.					
Per					

(Name of company or firm) _____ (Street address) _____ (City and State) _____

SECTION B

PART 1.—Products manufactured during 1941

Products—Description (1)	Leave Blank (2)	1941 Volume (Omit cents) (3)
		$
Total Shipments (actual billings)		

PART 2.—Total shipments, materials used, wage earners

Item	Period (1)	Volume of Shipments (Omit cents) (2)	Value of Materials Used (Omit cents) (3)	Average Number Wage Earners (4)
1	Year 1939	$ (Actual billings)	$	
2	Year 1940	(Actual billings)		
3	Year 1941	(Actual billings)		
4	Calendar quarter ending _____ 1942 (estimated)		x x x x	

SECTION C

Information in Parts 1 and 2 is for month ending _____, 194__
(Most recent possible month)

PART 1.—Preference Ratings on shipments

Item	Rating Classification (1)	Dollar Volume (2)	Leave Blank (3)
1	AA through A-1-j*	$	
2	A-2 through A-9*		
3	A-10*		
4			
5	All B ratings		
6	Unrated or unidentified		
7			
8	Total Shipments		

PART 2.—Industries to which Products are sold, or Purposes for which Products are used

Item	Industry or Purpose (1)	Approximate Dollar Volume (2)	Leave Blank (3)
1	Army and Navy	$	
2	Shipbuilding		
3	Aircraft		
4	Machine tools		
5			
6			
7			
8			
9			
10			
11			
12			
13	Total Shipments		

PART 3.—If production shows seasonal variation report:

Peak { Month _____ Production Value, $ _____ } Low { Month _____ Production Value, $ _____ }

*Include only shipments supported by Preference Rating Certificate, Preference Rating Orders properly extended, or purchase orders properly endorsed with Preference Rating and Preference Rating Order Number.

SECTION D

Materials entering into production of products listed in Section B on which priority assistance is requested

Item	List on lines 1-14, all materials in Materials List No. 2 which are purchased in the form described in that list. Use the same descriptive wording and the same order as appear in the list. List on lines below Item 15 those materials purchased which are not in Materials List No. 2 (1)	Unit of measure (2)	Quantities on hand (see instructions). (Date) (3)	Figures for 3 Months' Period Preceding Date in Column 3		Calendar Quarter Ending ..... (Same as Section B, Part 2, Item 4)		Leave Blank (8)
				Quantities received (actual) (4)	Quantities used (estimated) (5)	Anticipated Requirements Quantity (6)	Anticipated Requirements Value (omit cents) (7)	
1							$	
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15	Purchased parts and assemblies (list below)							
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31	Total		x x x x x	x x x x x	x x x x x	x x x x x		x x x x x

CERTIFICATION

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) The facts stated above are, to the best of his knowledge and belief, true and correct, and have been arrived at from the applicant's books and records in a reasonable manner;

(2) If preference ratings are assigned under the Production Requirements Plan, no preference ratings other than those assigned under this Plan will be used by the Applicant to obtain deliveries of production materials to be used in the manufacture of the products listed in Section B above, unless specific authorization by the Director of Priorities is received through the Production Requirements Branch;

(3) The materials obtained with the assistance of ratings assigned under this Plan will be used only in the manufacture of classes of products included in Section B and for which assistance has been given.

.....
(Signature of duly authorized official)

Title ..... Date .....

AUTHORIZATION

Pursuant to Preference Rating Order P-90 and on the terms and conditions therein set forth, the Director of Priorities of the War Production Board hereby assigns the Preference Rating or Ratings shown below to deliveries of only the quantities or values of materials shown in Column 8 of Section D.

Preference Rating	Assigned to—

Preference Rating Order No. P-90 Serial No. .....

.....
Director of Priorities.

Date .....

ORIGINAL

16—24716-2

SECTION A—Instructions for Preparing and Filing Application Form PD-25-X

Introduction

This Plan has been established to give priority assistance to manufacturers whose annual volume is less than $100,000.

Information submitted on this form must be for *manufacturing* operations only, and does not apply to any merchandise for resale in the same form in which it is purchased.

If the information submitted justifies it, a preference rating will be given to obtain the quantities of materials authorized.

This rating and the quantities of materials authorized will be determined by (1) the essentiality of the products to the War Program, as shown by preference ratings received, (2) the purposes for which the products are used, and (3) the proportion between the quantities of scarce materials requested and the amount of employment which will be stabilized. The scarcity of the materials used will likewise be considered, as will efforts to conserve and make substitutions for known scarce materials.

How to File an Application

Five (5) copies of Form PD-25-X make a complete set. Fill in all five copies. Retain the fifth copy. Send the other four copies, with the letter referred to in "General" and a catalog or other complete description of the products, to the War Production Board, Production Requirements Branch, Small Business Section, Washington, D. C.

Priorities assistance is extended for Calendar Quarters (Jan.-Mar.; Apr.-June; July-Sept.; Oct.-Dec.). The Quarter for which assistance is requested should be specified, in the spaces provided, (1) at top of form, (2) Section B, Part 2, Item 4, and (3) box at top of Section D. Insert the same period in all three places.

The original copy must be certified by the owner, proprietor, or a duly authorized official. All information must be typewritten or written in ink.

Section B.

Part 1.—List separately each class of product manufactured in 1941, according to customary descriptions. Examples of classes of products are: Iron body valves, brass valves, conduit fittings, portable electric tools, incandescent lighting fixtures. Opposite each class of product enter in Column 3 the dollar volume of sales for the year 1941.

Part 2.—Figures reported here are for the total of all the products manufactured and which are listed in Part 1. Figures for Columns 2 and 3 of Items 1 and 2 (years 1939 and 1940) are readily found in Federal income tax returns for those years. "Value of Shipments" is "Item 1" in income tax returns for both years. "Value of Materials Used" appears on Schedule B-1 in the 1939 return and Schedule A in the 1940 return. In both cases the figure may be computed from —"Inventory at Beginning of Year" plus "Material or Merchandise Bought for Manufacture or Resale" minus "Inventory at the End of the Year."

If applicant is engaged in wholesaling or retailing, in addition to manufacturing, he should deduct from the foregoing figures the values of materials so wholesaled or retailed.

Report in Item 3 figures for 1941 gathered in same method as for previous years.

Report in Item 4 expected shipments for the calendar quarter for which priority assistance is requested.

In reporting "Volume of Shipments" in Item 4, reference is made to shipments as represented by billings or invoicings. If, however, certain jobs require a long production period to complete, figures entered may be for "Value of Production" instead of "Shipments." If this method is used, explain in letter.

"Average Number of Wage Earners" means the average number of people employed during each of the periods referred to. This information is generally available on reports to the Social Security Board.

Section C.

Part 1.—For Items 1 to 3, show the dollar volume of shipments of the products listed in Part 1 of Section B which were made under Preference Rating Certificates received from customers, under Preference Rating Orders properly extended, or under purchase orders properly endorsed with Preference Rating and Preference Rating Order Number, all of which are actually in the possession of the applicant. For Item 5, show shipments made under "B" ratings and enter as Item 6 the value of all other shipments.

Part 2.—It is recognized that a manufacturer may have few defense orders although his products may be essential to the national strength. Such a manufacturer may be just as much entitled to a rating as a producer working directly on defense orders. The information desired in Part 2 indicates the industries to which the products are sold or the purposes for which they are used.

Part 3.—This part is intended for those industries whose business is subject to seasonal variation. If production greatly varies from season to season, report under "Peak Month" the month of the greatest *production* volume. Report under "Low Month" the month of the lowest *production* volume.

Section D.

Accompanying this form is Materials List No. 2. Each material on the List which, in the form described, is purchased for use in manufacturing the products shown in Section B, must be reported in Column 1 in same terms as used on the List, and in same order as they appear on the List.

Column 1.—Where the material is on Materials List No. 2, use the same description given on the List, and report in the same order as is used on the List. Where the material is not on the List, itemize separately under "Purchased Parts and Assemblies."

Column 2.—Where the material is on Materials List No. 2, use the unit of measure shown on the List. Where the material is not on the List, report in feet, pounds, pieces, gallons, etc.

Column 3.—Show inventory of all types and sizes at the time of preparation of the application or at any other date that such an inventory has been taken, provided such date is within the three months next preceding preparation of the application. Show date of inventory on line provided.

Column 4.—Show total of all types and sizes received during the three months immediately preceding the inventory called for in Column 3. The three months need not be a calendar quarter, but must be consecutive.

Column 5.—Show total of all types and sizes used in production in the same period covered in Column 4.

Column 6.—Show the total quantity of each of the materials expected to be used for production in the quarter referred to at the top of the columns. Where Column 6 exceeds Column 5, explain in accompanying letter. Such explanation should be based on seasonal variation, additional hours or shifts, increased production capacity, etc.

Column 7.—Show approximate value of quantities in Column 6.

This Plan does *not* cover materials for the maintenance and repair of plant and equipment, or operating supplies. The applicant may obtain these items under the terms of Preference Rating Order P-100, Repairs, Maintenance and Operating Supplies. However, where an applicant is experiencing difficulty in obtaining under P-100 supplies like cutting tools or other similar articles not entering into the product but necessary for their production, such items may be listed for consideration in the spaces under "Purchased Parts and Assemblies."

General

1. **Letter of Transmittal.**—With the application, submit in duplicate a letter of transmittal in which is explained those matters for which explanation is suggested below. This letter should contain its information under the same headings as used below:

(a) Section B. **General.**—State whether all or what portion of products are packed under the trade name of another firm, or are made for sale under producer's name.

(b) Section B. **Part 1.**—(1) Indicate whether actual or estimated dollar value; (2) state whether it is planned to discontinue any classes or add new classes during the first quarter. Give full particulars.

(c) Section B. **Part 2.**—Give here any helpful information relating to the figures entered in Item 4.

(d) Section C.—Explain how information reported was obtained.

(e) Section D.—If Column 6 exceeds Column 5, explain why.

(f) **Inventories.**—It is a policy of the War Production Board that inventories be maintained at the minimum practicable level. When reviewing the application, inventories reported in Column 3 of Section D will be compared with the anticipated requirements reported in Column 6. If the applicant believes that because of some peculiar inventory condition such a comparison is not fair to his business he should explain in detail. The explanation should state, for each item wherein it is believed the comparison may be unfair, the quantities of each type or size on hand on the inventory date, and the total anticipated production needs of only those types or sizes for which *no* delivery is required during the quarter for which assistance is requested.

(h) **Substitution.**—Describe any efforts which have been

Copyright, February 11, 1942, Research Institute.

made to conserve, substitute, or simplify in order to reduce the consumption of critical materials.

(i) **Subcontracting.**—Describe efforts to obtain contracts or subcontracts for direct defense work.

(j) **Minimum Procurable Quantities.**—The minimum quantity for which a supplier will accept an order may be shown in Column 6. Where this quantity exceeds actual anticipated requirements, explain.

(k) **Other.**—Include any other information not called for on the form, which will assist the Director of Priorities in giving the application the fullest consideration.

2. **Capital Equipment and Plant Expansion.**—Any rating received as a result of this application may not be used to buy any machinery, machine tools, large equipment or other capital items. Preference ratings for the purchase of such capital items can be obtained only by submitting Application for Preference Rating Form PD-1 or PD-1A, properly filled out, to the War Production Board, Washington, D. C.

How to Operate Under the Plan

If the application is approved, a Preference Rating Order will be issued, setting forth the terms on which ratings may be applied on orders to suppliers and by those suppliers to their suppliers. One copy of PD-25-X will be returned to the applicant showing the quantities of materials authorized and the preference rating assigned.

The rating may be applied only to the purchase of the kinds and quantities of materials authorized on PD-25-X in Section D, Column 8.

Use of the Rating by the Applicant.

In order to apply the rating assigned, place on each purchase order to which the rating is to be applied the following statement, *manually signed by an official duly authorized for the purpose,* specifying the rating assigned and the serial number:

Endorsement

"Preference Rating ..... is applied hereto under Preference Rating Order No. P-90, Serial No. ....., with the terms of which Order the undersigned is familiar. This rating may be extended only upon the terms of said Order, copies of which may be obtained from the undersigned or from any office of the War Production Board.

.....
(Name of company)

By .....
(Signature of duly authorized official) (Title)"

Purchase orders carrying the above endorsement must include only materials for which the Preference Rating has been authorized. If it is desired to place orders for unrated quantities of materials, separate purchase orders must be used. A Preference Rating may be applied to purchase orders which have been placed prior to the issuance of the P-90 Preference Rating Order by delivering to the supplier a *duplicate* purchase order carrying the above rating endorsement.

Use of the Rating by a Supplier.

A supplier who has received a purchase order endorsed in the manner provided above may extend the rating in accordance with the provisions and subject to the limitations set forth in Preference Rating Order P-90. Suppliers may obtain printed copies of the Preference Rating Order either from the manufacturer operating under the Plan or from the War Production Board.

Records.

In addition to the records required to be kept under Priorities Regulation No. 1, as amended December 23, 1941 (a copy of which may be obtained from the War Production Board, Washington, D. C.), and Priorities Regulation No. 3, endorsed copies of all purchase orders delivered or received must either be segregated or kept in a form so that they can readily be segregated for inspection by representatives of the War Production Board.

Use of Other Preference Ratings.

If a manufacturer operates under this Plan, he may not obtain deliveries of production materials through the use of any preference rating *other than that authorized on Form PD-25-X,* unless specific authorization is granted by the Director of Priorities, through the Production Requirements Branch, Small Business Section. Sole exception to this is use of A-10 rating under P-100 (Repair, Maintenance and Operating Supplies).

Extension of Preference Rating Certificates received by the applicant, such as PD-3 or PD-3A, and Preference Rating Orders of all types, is prohibited as is the filing of PD-1 or PD-1A, Application for Preference Rating, except in the case of capital equipment previously explained.

Requests for authorization to extend other preference ratings will be considered if a letter is submitted to the Production Requirements Branch, Small Business Section, giving full particulars concerning the quantity of material involved, use to be made of it, and preference rating carried by the certificate which applicant desires to extend.

Relief Provisions.

The following procedure is available whenever special situations arise within a quarter which require further assistance.

1. *To obtain materials not previously authorized.*—Submit a new application filling in only Section D, covering the materials for which assistance is needed. Explain why the additional materials are required.

2. *To obtain greater quantities than those previously authorized.*—Submit a new application, filling in only the section (s) affected. If the total requirements have increased, show the *new* total requirements in Column 6 and explain. The explanations should be based on increases in orders scheduled for shipment within the quarter, increases in capacity, additional man-hours, etc. If the total anticipated requirements are unchanged but a greater portion of the volume is going into Defense, enter in Columns 1 through 7 the same quantities shown on the original report. In addition, enter in Section C, Parts 1 and 2 the information for any month which demonstrates the change.

Report of Production Equipment

Section E.

The Division of Industry Operations of the War Production Board is attempting to spread war contracts as widely as possible. For this purpose they are interested in locating all possible production facilities. Submission of information in this Section is optional. If equipment is listed in this Section, the information will be made available to the Division of Industry Operations.

SECTION E—*List of Power-driven Machinery*
(Filling in this Section is optional. See instructions.)

Number of Machines (1)	Leave Key No. Blank (2)	Description of Machine (State whether Motor or Belt Drive) (3)	Size Specification (4)	Age in Years (5)	Condition (6)	Average Hours Used Per Week	
						Total (7)	War Work (8)

R·6,018. Forms PD-1A and PD-3A introduced by Priorities Regulation No. 3. Two new forms, PD-1a and PD-3a, were introduced January 12, 1942 by Priorities Regulation No. 3. From February 2 until March 1, 1942, you have a choice of methods in obtaining or applying for a preference rating certificate on an individual contract. Each of the two methods provides for a different set of forms. Under the old method, Forms PD-1, PD-2, PD-3, PD-4 and PD-5 are used. Under the new method these forms are superseded by Forms PD-1a and PD-3a. Until February 2, 1942, you must use the old forms. From February 2 to March 1, 1942, either the new or the old forms may be used, and after March 1, 1942, only the new forms, PD-1a and PD-3a, may be used. However, any Forms PD-1, PD-2, PD-3, PD-4 and PD-5 duly issued prior to March 1, 1942, are valid until they normally terminate or are terminated by special Priorities Division order.

recommendation: You will do well to use the new method starting February 2, 1942, as the paper work necessary in extending the preference rating to your supplier under the old method may hold you up considerably. The old Form PD-1 is not extendible; the new Form PD-1a is. Priorities Regulation No. 3, effective February 2, 1942, provides for the following method of obtaining and extending preference ratings for military items: If your customer is the Army, Navy, Coast Guard or any of the other agencies mentioned above, your contracting officer will give you Form PD-3a, replacing Form PD-3, PD-4 or PD-5 of the old system. You will normally get your PD-3a certificate immediately when the government places the order. (Formerly preference ratings for military items were issued only if the item was on the Priorities Critical List, a compilation of items of particular importance to the Army and Navy. However, under the new method the need for such a list is eliminated. As a matter of fact, the list had become cumbersome and there were few necessary items not on it. A "negative critical list" will probably require less revision.) The PD-3a certificate is authenticated by the contracting officer and bears the signature of the Director of Priorities. It specifies the name and description of the item to which the rating applies, the unit quantities, their approximate value and the required delivery dates. If you should run into a snag getting materials or in any other way finishing jobs, place your difficulty before your contracting officer. He will assist you in obtaining a rating. In the case of a sale to a foreign government, your rating may be issued on application to the foreign government liaison officer of OPM.

Preference rating for other than military orders —that is, orders of a civilian nature or of government agencies other than those listed above—are given on Form PD-1a, replacing Form PD-1. Form PD-1a is designed to serve both as an application and as the rating certificate itself. The Priorities Division grants the rating by making an appropriate entry at the end of the PD-1a application. The new form is much simpler than the old PD-1 and is to be used generally in making specific applications for materials or supplies when general preference orders do not provide the required priority assistance.

R·6,019. How you can replace your inventory. An important feature of the system established by Priorities Regulation No. 3, mandatory after March 1, 1942, is that it allows the recipient of a rating, or his suppliers and sub-suppliers, to use the rating for replacement in inventory of materials used in filling the rated order, provided that replacement does not increase stocks above a practicable working minimum. If materials to be replaced are in whole or in part manufactured, processed, assembled, or otherwise physically changed by the supplier, the rating must be extended before the rated delivery is made; in other words, while the materials are in process of fabrication.

If you are a pure-and-simple distributor and do not process or otherwise alter the supplies, you may defer extension of the rating up to three months, until an order can be placed for the minimum quantity procurable on customary terms. Under the system provided by Priorities Regulation No. 3, a supplier or sub-supplier who has received two or more purchase orders bearing ratings of the same grade is allowed to include in a single purchase order or "basket" any or all of the material which he requires to make deliveries in accordance with the rated purchase orders which have been served on him. In such case, he must specify in the certification on his own purchase order all of the preference rating certificate form numbers and serial numbers referring to the orders in connection with which he is extending the ratings.

R·6,020. When in doubt use PD-1a. PD-1a is a catch-all application form. If you are having procurement difficulties, if you are baffled and don't know how to proceed, you won't go wrong by filing a PD-1a. It will in every case get your effort to obtain a priority rating or a supply of allocated material under way.

Copyright, February 11, 1942, Research Institute.

R·6,021. Prove your case on PD-1a. When you try to get a priority rating for non-military business, you do so because you feel that for some reason your activity is important to defense or national health and welfare. Sell this to the Division of Industry Operations on the PD-1a application you file. Build your case up. If necessary, file riders, supporting statements, schedules, and other data.

recommendation: File an individual application for each different kind of material or article on which you want priority. This will expedite the process. If a number of different items are put on one application they may have to be routed through several Commodity Sections and each will hold up the application for some time. If they are separated each request will immediately be referred to the proper section. Only when you are sure that a number of articles on which you want to request priorities will be acted on by the same section is it unnecessary to split applications.

recommendation: You will improve your position if you can show that nothing other than the requested priority rating is required for you to fill the contract. The presence of skilled labor troubles, other priority requirements, transportation tie-ups or anything else which might stop or check your production even if priority is granted may tend to weaken your application. Do not confuse the issue.

recommendation: In filling out the application form, align your needs as closely to defense as possible. The next best bet is to show that your product is essential to the production or repair or replacement of parts of apparatus, equipment and devices which must function in order to preserve essential services and maintain maximum production of goods vital to defense or to the public interest or that your product is essential to the protection of public health and safety. Show that your use of items on which you are seeking priority is small in relation to the dollar value of the articles being produced.

recommendation: Show as far as possible that a large amount of labor will be employed with the use of a relatively small amount of what you request. Translate into terms of unemployment what denial of your request would mean.

recommendation: If possible show that you have standard apparatus, equipment or devices which cannot be redesigned to use substitutes without serious interruption of current production. Show as far as possible that there is no reasonably satisfactory substitute for what you request. Go into some detail on the availability to you of substitute materials. Where you are asked to state the effect of using substitutes in terms of price, quantity, etc., you can strengthen your application if you can show that you can't keep the contract with the substitutes, that the price at an increasing cost will make it impossible for you to meet the price fixed on the contract, that the customer will not be required to accept the finished article made up with a substitute material, that your machines are not suited to the use of substitutes, that the use of substitutes would slow you down so that you could not meet an important delivery date and raise costs of production prohibitively, etc.

recommendation: You will further strengthen your application if you can show that you made strenuous efforts to farm out parts of the contract which you are trying to fill and were unable to do so.

R·6,022. Form PD-1A reproduced.

Instructions for Preparation of Application for Preference Rating (Form PD-1A)

General Instructions.—Fill out in triplicate and execute the Certification on the duplicate copy. Retain the triplicate copy and this Instruction Sheet, and send all other copies to the Director of Industry Operations (PD-1A), Washington, D. C.

A *separate* application must be made for *each* class of Material (or Capital Equipment) commonly supplied by a single plant and for *each* Product or *each* use for which such Material (or Capital Equipment) is required. Form PD-1A may not be used to apply for a Preference Rating on requirements for plant expansion or plant construction, nor may it be used when adequate priority assistance is available under Priority Orders. Application forms for plant expansion or plant construction projects (Form PD-200) may be obtained from the Director of Industry Operations, Washington, D. C., or from any Priorities Field Service Office. Form PD-3A (which may be obtained from Army and Navy Contracting and Inspecting Officers) must be used instead of Form PD-1A for assignment of ratings to Army and Navy contracts and contracts of other Government agencies specified in Priorities Regulation No. 3.

Applicant means person, firm, or corporation who has placed or intends to place order(s) for Material (or Capital Equipment) for which preference rating is requested.

Supplier means person, firm, or corporation who has received, or will receive order(s) for which preference rating is requested.

Product means that which is produced from the Material (or Capital Equipment) for which rating is requested.

Material means raw material, semi-finished, or finished products, not including Capital Equipment.

Capital Equipment means machinery, equipment, or other implement of production ordinarily acquired as a capital asset not for resale—e.g., machine tools.

(Continued on following page)

Form PD-1A *(Cont'd)*

Number	To Be Answered on Form PD-1A by All Applicants
1	Describe *Product* to be produced by you from the *Material* (or *Capital Equipment)* for which application is made.
2	Explain relationship of *Product* produced by you to War Program, national welfare, or Government-sponsored programs.
3	If you have pending PD-1 or PD-1A application(s) for *other Material* required to fill the need for which this application is made, list for each such application (a) Description of *Material,* (b) Date of Application.
4a	If you are operating under any Preference Rating Order(s), "P" Series, applicable to the *Product* with respect to which this application is made, state Order Number(s) and Serial Number(s).
b	If not, have you made application for any such Preference Rating Order(s), "P" Series? (Identify.)
c	If you are operating under, or have applied for any such Preference Rating Order(s), "P" Series, explain why present application is made.
5	If *Material* is required for a *single* Government contract or a *single* civilian order for the *Product,* state:
a	Name of Government agency or civilian customer.
b	Supply Arm or Bureau (if Government agency).
c	Complete Contract Number (if Government agency) or Purchase Order Number (if civilian).
d	Quantity of *Product* on contract or on purchase order.
e	Grade of preference rating (if any) assigned to *Product* on contract or on purchase order.
6	If *Material* is required for *several* Government contracts or *several* civilian purchase orders for the *Product,* state:
a	Names of all Government agencies whose contracts are held.
b	Names of *principal* civilian customers whose purchase orders are held.
c	Grade(s) of Preference Rating (if any) assigned to *Product* on contract(s) or on purchase order(s).
7	State with respect to each item for which Preference Rating is requested:
a	The shipping date(s) promised by *Supplier in the absence* of a Preference Rating.
b	Names of *Suppliers* (if any) who have refused to accept *Applicant's* order.

Number	To Be Answered on Form PD-1A Only By Applicants for Preference Rating on Capital Equipment
8a	State the following with respect to the department in which *Capital Equipment* is to be used:
	1. Number of men — *1st Shift* / *2nd Shift* / *3rd Shift*
	2. Average weekly hours worked
b	What percent of the total present output of the department referred to in 8a applied to Defense Orders?
c	Do you have in use any equipment similar to that for which application is made?
d	If so, what is the average weekly hours of use of equipment referred to in 8c?
e	How do you *now* accomplish the work for which you require the equipment applied for?

PD-1A—2/2/42

War Production Board

PREFERENCE RATING CERTIFICATE

(To Be Filled Out by the Applicant)

Serial No.....

Issued to .....
(Name of applicant)

..... (Main office address)

..... (Receiving plant address)

Items Covered By This Certificate—List for each item:

Required Delivery Date	Quantity Each Shipment	Value Each Shipment	Description

Priorities Regulation Number 3 governs the issuance of this Certificate and the Preference Rating assigned. All of its terms must be observed. The following instructions are provided to assist in extension of Preference Ratings:

1. The Preference Rating assigned by this Certificate may be extended only to:
(a) Deliveries of material which will be physically incorporated into material to be ultimately delivered to the original recipient of the Preference Rating, or to deliveries of material which itself will be ultimately delivered to the original recipient of the Preference Rating, or which will be used, within the limitations of paragraph (e) of Priorities Regulation No. 3, to restore inventory to a practicable working minimum.
(b) Material which is neither greater in quantity nor to be delivered on dates earlier than required to make on schedule a rated delivery or, within the limitations of Priorities Regulation No. 3, to restore inventory to a practicable working minimum.

2. The person to whom this Certificate is issued shall retain it, and he and each related Supplier and Subsupplier may extend the Preference Rating assigned herein to his purchase order(s) by executing and transmitting to his Supplier(s) by endorsement on purchase order or other equivalent document, the following form of Certification, which shall constitute a representation to the Director of Industry Operations.
(The following form of Certification is to be used when endorsing purchase order(s). Do not fill in on this Certificate.)

"Certification

"Preference Rating ..... is hereby applied pursuant to Certificate PD-1A, Serial No.(s) ..... in accordance with Priorities Regulation No. 3, with which I certify I have complied.

..... (Address)

..... (Applicant, Supplier, or Subsupplier)

..... (Date)

....." (Signature and title of official)

(To Be Filled Out by the Director of Industry Operations)

The following Preference Rating is hereby assigned to the items in the quantities covered by this Certificate:

Copyright, February 11, 1942, Research Institute.

PD-1A
2/2/42

Application for Preference Rating

To Director of Industry Operations, Washington, D. C.

Number	Identify *Each* Statement by Number with Corresponding Number on Instruction Sheet

(Do not write below this line. If necessary, continue statement (in triplicate) on additional sheet (s) in the same size and form.)

R·6,023. Form PD-3A reproduced.

PD-3A
2-2-42

(This Form May Not Be Reproduced)

Instructions for Extension of Preference Rating

Priorities Regulation No. 3 governs the issuance of this certificate and the preference rating assigned. All of its terms must be observed. The following instructions are provided to assist in extension of preference ratings.

1. The Preference Rating assigned by this Certificate may be extended only to

(a) deliveries of material which will be physically incorporated into material to be ultimately delivered to the original recipient of the preference rating, or to deliveries of material which itself will be ultimately delivered to the original recipient of the preference rating, or which will be used, within the limitations of Paragraph (e) of Priorities Regulation No. 3, to restore inventory to a practicable working minimum.

(b) material which is neither greater in quantity nor to be delivered on dates earlier than required to make on schedule a rated delivery or, within the limitations of Priorities Regulation No. 3, to restore inventory to a practicable working minimum.

2. The person to whom this Certificate is issued and each related Supplier and Sub-supplier must send a certified copy of all purchase orders on which the rating is extended as prescribed in the form of Certificatioin below.

3. Section 35 (a) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

4. The Person to whom this Certificate is issued shall retain it, and he and each related Supplier and Subsupplier may extend the Preference Rating assigned herein to his purchase order (s) by executing and transmitting to his Supplier (s) by endorsement on purchase order or other equivalent document, the following form of Certification, which shall constitute a representation to the Director of Industry Operations.

"Certification

The undersigned represents to the Director of Industry Operations: that Preference Rating ..... (ANMB Code No. .....) is hereby applied pursuant to Certificate PD-3A, Serial No (s). ..... and initiating government agency (s) ....., Contract No (s). ..... placed with prime contractors ..... in accordance with Priorities Regulation No. 3, with which I certify I have complied. The person extending this rating must send a certified copy of his purchase order to ..... or, if purchase involves several orders, to the inspector named on the order having the greatest value.

.....
Name of Purchaser

.....
Address

.....
Date Signature and Title of Official"

Note: If Certificate is issued for machine tools, cite Urgency Standing Number in a footnote addition to the Certification; if Certificate is issued under a letter of intent, insert reference to a footnote addition to the Certification in the space provided for the Contract number (s). Such footnote shall state the Supply Arm or Bureau of the Army or Navy (or other government agency which issued letter of intent), the date of the letter and identification symbols appearing thereon.

PD-3A—Quintuplicate Serial No. (M-.....)

Preference Rating Certificate

1. Issued To: .....
Contractor
2. Address: .....
3. Related Contract No. of Initiating Government Agency .. ..
4. Government Agency which placed contract: .....
(Name and Address (If Army or Navy, specify Supply Arm or Bureau))

5. *Items Covered by This Certificate—List for each item:*

Required Delivery Date	Quantity Each Shipment	Value Each Shipment	Description

6. *Authentication:* I hereby certify that the items specified in this Certificate are essential for the completion of the government contract cited herein, and that the quantities and Required Delivery Date (s) specified are not greater nor earlier than necessary for completion on time of said contract.

.....
Signature and Title of Authorized Official of Contractor

.....
Date

.....
Countersignature and Title of U. S. Government Official

.....
Post, Camp or Station Date

7. Preference Rating ..... (ANMB Code No. .....) is hereby assigned to the items in the quantities covered by this Certificate. If this Certificate covers machine tools, cite Urgency Standing No. (if any) : .....

This Certificate is not valid unless Authentication is signed by the Contractor to whom issued and countersigned by the appropriate U. S. Government Official.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Quintuplicate to be forwarded to Chief of Supply Arm, Service or Bureau of Army or Navy (or other government agency which placed contract), as set forth in (4) above.

R·6,024. How to extend PD-1a and PD-3a. Preference ratings assigned to applicants who use Form PD-1a may be extended on and after February 2 to suppliers and sub-suppliers of the applicant by making an indorsement on purchase orders, signed by a duly authorized representative of the company making the extension. No countersignature from any government officer is necessary. Preference ratings assigned under the old PD-1 forms have not been extendible under any circumstances.

Ratings assigned on Form PD-3a may be extended to suppliers and sub-suppliers without countersignature. Ratings under the old PD-3 forms can be extended without countersignature only if the amount of the order involved was less than $500.

When an individually rated order is served upon a supplier by the original applicant under the new procedure, the rating may be extended by the supplier, by his suppliers and sub-suppliers to obtain any material to be delivered to the original applicant in accordance with the rating, but neither the applicant, his suppliers nor sub-suppliers may use the rating to obtain machinery or capital equipment which they use in fabricating parts to fill the order.

If you have been assigned a rating on a PD-1a Form and need machinery or capital equipment for this purpose which you cannot obtain without priority assistance, you must apply for a separate preference rating on another PD-1a Form for that equipment. Prime contractors who need machinery or equipment to be used exclusively in filling Army or Navy orders may be given a rating for use in obtaining such machinery or equipment on PD-3a Forms.

R·6,025. Reproduction of priority forms and orders permitted by Priorities Regulation No. 5. All priority forms and orders, with a few exceptions, may be reproduced according to the terms of Priorities Regulation No. 5, issued February 5, 1942. The Regulation applies to all documents issued to date, and to those which will be issued, with certain exceptions. Copies of any order which contains the name and address of the producer or other person to whom the order is issued, or a serial number identification, may not be reproduced without the name and address and serial number unless they are clearly marked "Information Copy." Reproduction for use of the new application form, PD-1A is permitted if copies are identical with the officially published version as to wording, paragraphing, punctuation and size, and substantially the same as to color and paper. The new Form PD-3A may not be reproduced for use, but copies clearly marked "Specimen Copy" may be made for purposes of information. Certain other forms and orders provide for operations which must be supervised in detail, and their reproduction is prohibited or limited. A list of these, and of the conditions governing their reproduction, is attached as Exhibit A of the Regulation.

R·6,026. Priorities Regulation No. 5.

Sec. 944.25 **Priorities Regulation No. 5:** *Reproduction of Forms and Orders.*

(a) *General Rule: Reproduction of Forms and Orders Permitted with certain exceptions.* Except as provided in (b) hereof, any form or Order issued by the Director of Priorities or by the Director of Industry Operations may be reproduced by any person in the manner provided in (c) hereof.

(b) *Exceptions to General Rule.* Reproduction of certain forms and Orders is restricted as follows:

(1) The reproduction of those forms or Orders heretofore issued which are listed in Exhibit A attached hereto is prohibited or limited as provided in said Exhibit, by reason of the need for detailed supervision of operations thereunder.

(2) Reproduction of any form or Order hereafter issued which contains a provision prohibiting or limiting such reproduction and expressly excepting such form or Order from this Regulation shall be prohibited or limited as therein provided.

(3) The restrictions contained in this paragraph (b) shall not apply to the reproduction of any form (as distinguished from Order) where such reproduction has the words "Specimen Copy" clearly set forth on the face thereof, nor shall said restrictions apply to any reproduction hereafter expressly permitted by the Director of Industry Operations.

(c) *Methods of Reproduction.* In any case where the provisions of this Regulation permit the reproduction of a form or Order, such reproduction may be by any process, photographic, printing, mimeographing, or otherwise, provided that:

(1) All copies must be identical with the officially published form or Order as to wording, paragraphing and punctuation.

(2) Copies which are to be filed with any agency of the United States Government or to be served on another party must be identical with the officially published form or Order as to size and substantially the same as to color of paper and location on the page of spaces to be filled in by the person filing or serving such copies.

(3) Copies of all Orders bearing the signature of any official of the United States Government must include such signature. This must be in type or print, preceded by "(Signed,)" unless the entire Order is reproduced by photographic process.

(d) *Information Copies.* Copies of any Order which contains the name and address of the producer or other person to whom the Order is issued or a serial number identifying such person, must either contain such name and address and serial number or be clearly designated as information copies by inserting the words *"Information Copy"* in the space provided for such name, address and serial number. No such Order may be reproduced in blank without such designation. In any case where the provisions of this Regulation permit reproduction of an Order and the Order requires delivery of a copy to a Supplier but does not expressly require that such copy contain the name, address and serial number of the person to whom the Order is issued, an information copy designated as provided above may be delivered and an information copy may be accepted where, by the terms of such Order, acceptance is required.

(e) *Revocation of Inconsistent Provisions.* All provisions in any forms, Orders, rules, regulations, instructions or pub-

Copyright, February 20, 1942, Research Institute.

lished statements heretofore issued by the Office of Production Management, the Director of Priorities or the Director of Industry Operations regarding the reproduction of forms and Orders are hereby revoked or amended to the extent that they are inconsistent with this Regulation, but otherwise shall remain in full force and effect in accordance with their terms.

(f) *Effective Date.* This Regulation shall take effect immediately.

Issued this 5th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Exhibit A

Reproduction of the following forms and Orders is prohibited except as provided in Paragraph (b) (3) of the foregoing Regulation:

PD-1-c; PD-3; PD-3A
P-25-a through P-25-e; P-26-a through P-26-e
P-35

Reproduction of the following Orders is limited to reproduction by or for Producers (not Suppliers) operating under said Orders:

P-3; P-4
P-9-a through P-9-g
P-13; P-15; P-52

Reproduction of the following Order is limited to reproduction by persons entitled to apply the preference rating:

P-41

R·6,027. Priorities Critical List abolished by Priorities Regulation No. 6. Limitations imposed by reference to the Priorities Critical List of the Army and Navy Munitions Board in a number of preference rating or "P" orders were removed by issuance of Priorities Regulation No. 6. The Regulation abolishes the Military Priorities Critical List and allows the ratings assigned by any "P" order to be used on deliveries of any material otherwise covered by the order. It does not, however, remove any special restrictions or special materials lists which may be specifically included in the terms of any order.

¶ *observation:* The Defense Housing Critical List, which constitutes a limitation on the use of preference ratings assigned by Defense Housing project ratings, remains in full force and effect. For PD-3A military use, however, the list has already been abolished.

R·6,028. Priorities Regulation No. 6.

Sec. 944.26 **Priorities Regulation No. 6:**

(a) *Abolition of Priorities Critical List.* On and after the effective date of this Regulation, the Priorities Critical List of the Army and Navy Munitions Board is hereby abolished as a limitation upon the application of the preference rating assigned by any General Preference Order, Preference Rating Order, Limited Preference Rating Order or any other Order heretofore issued by the Director of Priorities of the Office of Production Management or by the Director of Industry Operations of the War Production Board. Nothing herein contained shall nullify or otherwise affect the provision of any Order restricting the application of preference ratings to deliveries of Materials included on any other list specified or referred to in such Order. The Defense Housing Critical List shall not be affected hereby.

(b) *Effective Date.* This Regulation shall take effect immediately.

Issued this 11th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,029. Form PD-275—Manufacturer's report on metal requirements.

PD-97S (1/27/42)

CONFIDENTIAL
For Use of Federal Defense Agencies Only

BUREAU OF THE CENSUS—*Collection Agent For*
WAR PRODUCTION BOARD
DIVISION OF INDUSTRY OPERATIONS
WASHINGTON, D. C.

MANUFACTURER'S REPORT ON METAL REQUIREMENTS
For Calendar Quarter April-June 1942

Three (3) copies of this form must be returned to the Bureau of the Census, Ref.: CMR, Washington, D. C., not later than February 20, 1942. Read the instructions carefully, Section A, before filling out form.

DO NOT USE

Prod.	
No.	
Coded	
Edited	
Tab.	

(Name and address of manufacturer) (Department, division, or plant)

SECTION B.—**Shipments:** Show below the number of units and dollar volume of shipments (including transfers to other divisions, departments or plants) of each of the classes of products shown in column (1). In columns 6 to 9 show shipments for each product class by the indicated preference rating groupings for the calendar quarter October-December 1941. Estimate the April-June 1942 calendar quarter in total only. Please read the instructions for guidance in grouping the products you manufacture.

Description of Classes of Products	DO NOT USE	Unit of Measure	Shipments During Calendar Quarter October-December 1941 Analyzed by Preference Ratings						Estimated Total Shipments Calendar Quarter April-June 1942	
			Total		AA and A-1	A-2 through A-9	A-10	Other and Nonrated		
			Units	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Dollars (Omit cents)	Units	Dollars (Omit cents)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total		x x x	x x x						x x x	

SECTION C.—**Inventory report covering classes of products included in Section B. DO NOT FILL IN.**

Inventory (1)	September 30, 1941 (2)	December 31, 1941 (3)	Date of Most Recent Physical Inventory (Give date) (4)
Raw Materials			
Work in Process*			
Finished Goods*			
Supplies			
Other			
Book Total of above			

State basis used in determining values

*Indicate whether labor and overhead are included in values reported

SECTION D.—**Report of analysis of total dollar volume of shipments of classes of products included in Section B. Optional See Instructions.**

PART 1.—Classification of October-December 1941 Shipments and Unfilled Orders as of January 31, 1942, by Preference Ratings

Item	Classification (a)	Shipments October-December 1941 Dollar Volume (b)	Shipments October-December 1941 Percent of Total Dollar Volume (c)	Unfilled Orders as of Jan. 31, 1942 Dollar Volume (d)	Unfilled Orders as of Jan. 31, 1942 Percent of Total Dollar Volume (e)
	Preference Ratings:	*Dollars*		*Dollars*	
1	Total shipments		100%		100%
2	AA				
3	A-1-a				
4	A-1-b				
5	A-1-c				
6	A-1-d				
7	A-1-e				
8	A-1-f				
9	A-1-g				
10	A-1-h				
11	A-1-i				
12	A-1-j				
13	A-2				
14	A-3				
15	A-4				
16	A-5				
17	A-6				
18	A-7				
19	A-8				
20	A-9				
21	A-10*				
22	Unrated Orders provided for in Priorities Division Regulation No. 1				
23					
24					
25	All B Ratings				
26	Known to be Nondefense				
27	Defense Status Undetermined				

*Include in items 2 through 21 only shipments supported by preference rating certificates, preference rating orders, or properly endorsed purchase orders, in possession of applicant.

PART 2.—Classification of October-December 1941 Shipments by Industry or End Use

Item	Classification by Industry or End Use (a)	Dollar Volume (b)	Percent of Total Dollar Volume (c)
1	Army		
2	Navy		
3	Maritime Commission		
4	Aircraft		
5	Machine Tools		
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27	All other not classified		
28	Total Shipments		100%
29	Shipments to distributors, wholesalers, jobbers, dealers for stock; do not include direct shipments		

PRIORITIES DIVISION REGULATION No. 1

(i) Any contract or order . . . for the account of: The Army or Navy of the United States, the United States Maritime Commission, The Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development.

(ii) Any contract or order . . . for the account of: The government of any of the following countries: The United Kingdom, Canada, and other dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, the Kingdom of the Netherlands, Norway, Poland, Russia, and Yugoslavia.

(iii) Any contract or order placed by any agency of the United States Government for material or equipment to be delivered to, or for the account of, the government of any country other than those listed above (including those in the western hemisphere), pursuant to the act of March 11, 1941, entitled, "An Act to Promote the Defense of the United States," (Lend-Lease Act).

SHEET 1—ORIGINAL

10—85473-1 ¶29

Copyright, February 20, 1942, Research Institute.

PD-975
(1/27/43)

(Name and address of manufacturer) _____ (Department, division, or plant) _____

SECTION E.—Report all specified materials used or required in the manufacture of the products listed in Section B. Where the form of the metal is not specified, as in the case of nickel, include only unfabricated and semifinished forms. For oxides and other compounds of nonferrous metals report the entire weight of the compound. Quantities must be reported in the units indicated in column (4). Even though you do not keep your records in these units, please convert into the units specified. Report *quantities* in columns (5) through (9). Report *values* in column (10). If inventories or consumption figures requested in columns (7) and (8) cannot be reported exactly, make the most accurate estimates possible. Such estimates must be based on available records.

Item No. (1)	Description of Materials (2)	Repeat Item No.* (3)	Unit of Measure (4)	Statement for Quarter Ending December 31, 1941				Quarter Ending June 30, 1942		
				Inventory on Sept. 30, 1941 (5)	Received During Quarter (6)	Used During Quarter (7)	Inventory on Dec. 31, 1941 (8)	Total Anticipated Requirements (9)	Value of (9) (*Omit cents*) (10)	DO NOT USE (11)
				Quantity	*Quantity*	*Quantity*	*Quantity*	*Quantity*	*Dollars*	
100	IRON AND STEEL									
101	Pig iron		Short tons.							
102	Castings (unfinished only):									
103	Gray iron		Short tons.							
104	Malleable iron		Short tons.							
105	Semisteel		Short tons.							
106	All other iron shapes and forms (specify)		Short tons.							
107	Iron and steel scrap—home		Short tons.							
108	Iron and steel scrap—purchased		Short tons.							
109	Carbon steel:									
110	Bars—hot-rolled—concrete-reinforcing		Short tons.							
111	Bars—hot-rolled—including hoops and bands		Short tons.							
112	Bars—cold-finished		Short tons.							
113	Bars—tool steel		Short tons.							
114	Black plate		Short tons.							
115	Blooms and billets		Short tons.							
116	Castings (include all rough but no finished)		Short tons.							
117	Forgings (include all rough but no finished)		Short tons.							
118	Ingots, slabs, tube rounds, sheet bars, and tin bars		Short tons.							
119	Pipe—merchant, line, and oil country:									
120	Black		Short tons.							
121	Galvanized		Short tons.							
122	Plates—universal and sheared		Short tons.							
123	Rails:									
124	Over 60 pounds		Short tons.							
125	All other		Short tons.							
126	Sheets and strips—hot-rolled		Short tons.							
127	Sheets and strips—cold-rolled		Short tons.							
128	Sheets and strips—galvanized		Short tons.							
129	Sheets and strips—all other (specify)		Short tons.							
130	Skelp		Short tons.							
131	Structural shapes and piling		Short tons.							
132	Tie plates and track accessories		Short tons.							
133	Tin and terneplate		Short tons.							
134	Tubes—mechanical and pressure		Short tons.							
135	Wheels and axles		Short tons.							
136	Wire and wire products:									
137	Wire		Short tons.							
138	Barbed wire		Short tons.							
139	Galvanized wire		Short tons.							
140	Wire rope and strand		Short tons.							
141	Telephone and telegraph wire		Short tons.							
142	All other (specify)		Short tons.							
143	Wire rods		Short tons.							
144	All other steel-mill products (specify)		Short tons.							
145	Alloy steel:									
146	Bars—cold-finished		Short tons.							
147	Bars—tool steel		Short tons.							
148	Blooms and billets		Short tons.							
149	Castings (include all rough but no finished)		Short tons.							
150	Forgings, armor plate and ordnance		Short tons.							
151	Forgings (include all rough but no finished)		Short tons.							
152	Ingots, slabs, tube rounds, sheet bars, and tin bars		Short tons.							
153	Plates—universal and sheared		Short tons.							
154	Sheets and strips—hot-rolled		Short tons.							
155	Sheets and strips—cold-rolled		Short tons.							
156	Sheets and strips—all other (specify)		Short tons.							
157	Skelp		Short tons.							
158	Tubes—mechanical and pressure		Short tons.							
159	Wheels and axles		Short tons.							
160	Wire		Short tons.							
161	Wire rods		Short tons.							
162	All other steel-mill products (specify)		Short tons.							
163	Stainless steel:									
164	Bars—hot-rolled—including hoops and bands		Pounds.							
165	Bars—cold-finished		Pounds.							
166	Blooms and billets		Pounds.							
167	Ingots, slabs, tube rounds, sheet bars, and tin bars		Pounds.							
168	Plates—universal and sheared		Pounds.							
169	Sheets and strips—hot-rolled		Pounds.							
170	Sheets and strips—cold-rolled		Pounds.							
171	Tubes—mechanical and pressure		Pounds.							
172	Wire		Pounds.							
173	Wire rods		Pounds.							
174	All other steel-mill products (specify)		Pounds.							
200	FERROALLOYS									
201	Calcium molybdate		Pounds.							

16—25475-1 GPO

* Repeating this item number will identify entries on carbon copies even though the carbon copies may slip out of alignment.

SHEET 2—ORIGINAL

WPB (Vn/6b"

(Name and address of manufacturer) (Department, division, or plant)

SECTION E.—Continued. See statement at beginning of Section E and general instructions, Section A.

Item No. (1)	Description of Materials (2)	Repeat Item No.* (3)	Unit of Measure (4)	Statement for Quarter Ending December 31, 1941				Quarter Ending June 30, 1942		
				Inventory on Sept. 30, 1941 (5)	Received During Quarter (6)	Used During Quarter (7)	Inventory on Dec. 31, 1941 (8)	Total Anticipated Requirements (9)	Value of (9) (Omit cents) (10)	DO NOT USE (11)
				Quantity	Quantity	Quantity	Quantity	Quantity	Dollars	
	FERROALLOYS—(Con.)									
202	Ferro-carbon-titanium		Pounds.							
203	Ferrochromium		Pounds.							
204	Ferrocolumbium		Pounds.							
205	Ferromanganese		Pounds.							
206	Ferromolybdenum		Pounds.							
207	Ferronickel		Pounds.							
208	Ferrophosphorous		Pounds.							
209	Ferrosilicon		Pounds.							
210	Ferrotitanium		Pounds.							
211	Ferrotungsten		Pounds.							
212	Ferrovanadium		Pounds.							
213	Ferrozirconium		Pounds.							
214	Silicomanganese		Pounds.							
215	Spiegeleisen		Pounds.							
300	NONFERROUS METALS									
301	Aluminum:									
302	Ingots (including pigs, billets, slabs, shot, cones, rings, and other raw forms)		Pounds.							
303	Sand castings (include Antioch process):									
304	Heat treated		Pounds.							
305	Not heat treated		Pounds.							
306	Permanent and semipermanent mold castings:									
307	Heat treated		Pounds.							
308	Not heat treated		Pounds.							
309	Die-castings, including rotor castings for motors		Pounds.							
310	Sheets, strips, and plates, including stocks for foil, stampings, spinning, pressings, formed shapes, etc.:									
311	2S and 3S alloys		Pounds.							
312	Except 2S and 3S alloys		Pounds.							
313	Rod for screw machine stock		Pounds.							
314	Electrical transmission cable		Pounds.							
315	Rods and bars—all forms except screw machine stock and electrical cable		Pounds.							
316	Rivets, including nails and cold upset products		Pounds.							
317	Forgings, including hammer and press forgings, and forged pistons		Pounds.							
318	Wire, including wire for armored cable		Pounds.							
319	Foil		Pounds.							
320	Impact extrusions		Pounds.							
321	Rolled structural shapes		Pounds.							
322	Extruded shapes:									
323	2S, 3S, 53S, and 61S alloys		Pounds.							
324	Except 2S, 3S, 53S, and 61S alloys		Pounds.							
325	Tubing:									
326	2S and 3S alloys		Pounds.							
327	Except 2S and 3S alloys		Pounds.							
328	Powder		Pounds.							
329	All other shapes and forms (specify)		Pounds.							
330	Scrap—home		Pounds.							
331	Scrap—purchased		Pounds.							
332	Magnesium:									
333	Ingots, including pigs, billets, slabs, extruded sticks, and other raw forms)		Pounds.							
334	Sand castings		Pounds.							
335	Permanent and semipermanent mold castings		Pounds.							
336	Die-castings, including rotor castings for motors		Pounds.							
337	Sheets, strips, and plates		Pounds.							
338	Rods and bars		Pounds.							
339	Rivets		Pounds.							
340	Forgings		Pounds.							
341	Extruded shapes, excluding sticks, tubing, pipe, rods, bars		Pounds.							
342	Pipes and tubing		Pounds.							
343	Powder		Pounds.							
344	All other shapes and forms (specify)		Pounds.							
345	Scrap		Pounds.							
346	Copper:									
347	Refinery shapes		Pounds.							
348	Castings		Pounds.							
349	Fabricated shapes		Pounds.							
350	Forgings		Pounds.							
351	Rods and wire		Pounds.							
352	Sheets, including strip, rolls, and plates		Pounds.							
353	Tubing or pipe		Pounds.							
354	All other shapes and forms (specify)		Pounds.							
355	Scrap—home		Pounds.							
356	Scrap—purchased		Pounds.							

*Repeating this item number will identify entries on carbon copies even though the carbon copies may slip out of alignment.

SHEET 3—ORIGINAL

16-36479-1 GPO

Copyright, February 20, 1942, Research Institute.

PD-378
(1/27/42)

(Name and address of manufacturer) (Department, division, or plant)

SECTION E.—Continued. See statement at beginning of Section E and general instructions, Section A.

Item No. (1)	Description of Materials (2)	Repeat Item No.* (3)	Unit of Measure (4)	Statement for Quarter Ending December 31, 1941				Quarter Ending June 30, 1942		
				Inventory on Sept. 30, 1941 (5)	Received During Quarter (6)	Used During Quarter (7)	Inventory on Dec. 31, 1941 (8)	Total Anticipated Requirements (9)	Value of (9) (*Omit cents*) (10)	DO NOT USE (11)
	NONFERROUS METALS—(Cont.)			Quantity	Quantity	Quantity	Quantity	Quantity	Dollars	
357	**Brass and bronze** (including phosphor bronze):									
358	Bars, including rods and wire		Pounds.							
359	Castings		Pounds.							
360	Forgings		Pounds.							
361	Shapes		Pounds.							
362	Sheets, including strip, rolls, and plates		Pounds.							
363	Tubing or pipe		Pounds.							
364	All other shapes and forms (specify)		Pounds.							
365	Scrap—home		Pounds.							
366	Scrap—purchased		Pounds.							
367	Monel		Pounds.							
368	Cupro nickel		Pounds.							
369	Nickel		Pounds.							
370	Nickel silver		Pounds.							
371	Lead:		Pounds.							
372	Antimonial		Pounds.							
373	Pigs, bars, and blocks only		Pounds.							
374	Other, (specify)		Pounds.							
375	Scrap		Pounds.							
376	Zinc:									
377	Die-castings		Pounds.							
378	Dust		Pounds.							
379	Sheets		Pounds.							
380	Slabs		Pounds.							
381	Other forms or shapes (specify)		Pounds.							
382	Scrap		Pounds.							
383	Type metal		Pounds.							
384	Solder		Pounds.							
385	Metal carbides		Pounds.							
386	Other nonferrous metals:									
387	Antimony		Pounds.							
388	Arsenic		Pounds.							
389	Beryllium		Pounds.							
390	Bismuth		Pounds.							
391	Cadmium		Pounds.							
392	Cobalt		Pounds.							
393	Iridium		Troy oz.							
394	Lithium		Pounds.							
395	Mercury		Pounds.							
396	Molybdenum		Pounds.							
397	Palladium		Troy oz.							
398	Platinum		Troy oz.							
399	Platinum-iridium alloy		Troy oz.							
400	Rhodium		Troy oz.							
401	Ruthenium		Troy oz.							
402	Tin bars, blocks, ingots, and pigs only		Pounds.							
403	Tungsten		Pounds.							
500	OXIDES AND OTHER COMPOUNDS OF NONFERROUS METALS									
501	Aluminum oxides and other compounds:									
502	(a) Aluminum oxide (crude): Bauxite		Pounds.							
503	(b) Aluminum oxide (refined): alumina		Pounds.							
504	(c) Aluminum fluoride compounds including cryolite		Pounds.							
505	(d) Aluminum chlorides and sulfates		Pounds.							
506	Antimony oxides		Pounds.							
507	Chromite		Pounds.							
508	Chromium oxides		Pounds.							
509	Cobalt oxides		Pounds.							
510	Copper sulphate		Pounds.							
511	Lead pigments (including white lead, red lead, and litharge)		Pounds.							
512	Magnesium oxides and other compounds		Pounds.							
513	Mercury chlorides		Pounds.							
514	Mercury oxides		Pounds.							
515	Molybdenum oxide		Pounds.							
516	Nickel chloride		Pounds.							
517	Nickel oxide		Pounds.							
518	Potassium chloride		Pounds.							
519	Potassium chromate		Pounds.							
520	Sodium chromate and bichromate		Pounds.							
521	Sodium tungstate		Pounds.							
522	Tin chlorides		Pounds.							
523	Tungsten trioxide (60%)		Pounds.							
524	Vanadium oxide		Pounds.							
525	Zinc pigments		Pounds.							
526	Zinc sulphate		Pounds.							

16—28475-1 GPO

* Repeating this item number will identify entries on carbon copies even though the carbon copies may slip out of alignment.

CERTIFICATION

The undersigned hereby certifies to the Director of Industry Operations that—

(1) He executed the foregoing form on behalf of and by authority of the above-named manufacturer; (2) The facts stated above are, to the best of his knowledge and belief, true and correct; (3) The estimates of requirements of materials and supplies, shown in Column 8 of Section F, have been arrived at from the books and records of the manufacturer and have been determined in a reasonable and prudent manner; (4) The quantities and values of materials shown in Column 8 of Section F are required in the manufacture of products included in Section B; (5) All materials listed in Section F used or required in the manufacture of the products listed in Section B for the periods indicated have been included in Section F; (6) The dollar volumes included in Items 2 through 21 of Section D, Part 1, are supported by preference rating orders, preference rating certificates, or purchase orders carrying proper endorsements, which are in the possession of the manufacturer.

Date ..... Signature and title of official .....

Section 35(A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

SHEET 4—ORIGINAL

Bureau of the Census—*Collection Agent for*
War Production Board
Division of Industry Operations
Washington, D. C.

Manufacturer's Report on Metal Requirements
For Calendar Quarter April-June, 1942

Three (3) copies of this form must be returned to the Bureau of the Census, Ref: CMR, Washington, D. C., not later than February 20, 1942. Read the instructions carefully, Section A, before filling out form.

SECTION A—Instructions for Filling Out Manufacturer's Report on Metal Requirements—Form PD-275

General:

Form PD-275 has been prepared so that the information requested is the same as the data asked for under the Production Requirements Plan. This will permit manufacturers who expect to operate under the Production Requirements Plan to use the same information for filling out both PD-275 and Form PD-25A.

Briefly, the information required by Form PD-275 includes:

Section B. Shipments analyzed by classes of products and by preference ratings.

Section C. *Inventories.* Do not fill in this section.

Section D. Shipments and unfilled orders analyzed in detail by preference ratings and by end use. Reporting of this information is optional.

Section E. For the materials specified, the inventories and quantities used during the October-December, 1941 quarter, and quantities to be *used*, during the April-June, 1942 quarter.

Reporting is mandatory. Reporting on Form PD-275 is mandatory for each manufacturing establishment receiving the form. It must be filled out in accordance with these instructions.

One or more reports required for each establishment. Inasmuch as the immediate purpose of Form PD-275 is to determine metal requirements for each class of product manufactured, at least one report (in triplicate) is required for each plant. Furthermore, where a single plant manufactures products falling into more than one *class of product* (see instructions below for Section B.—Shipments) a separate complete report must be filed for each division or department producing different classes of products if existing inventory and other records make such a separation possible. *For example,* if two inventories are maintained within a plant and two or more classes of products are manufactured, two forms should be submitted. If only one inventory is maintained, only a single report need be filed even though more than one class of product is produced. The report for each operating unit as determined on the basis of inventory records must include all the shipments and materials for that operating unit but in no case may the same shipments and materials be included in more than one report.

Information for the October-December quarter of 1941 must be based on actual records if such records are available. If records providing the information requested are not available or cannot be developed, carefully prepared estimates must be submitted. In all cases where estimates are submitted, a supporting letter should be attached to the report indicating this fact and designating the items that are estimated.

Correspondence. Explanatory notes or letters, in triplicate, should be attached to the form where supplementary explanations are considered necessary for proper interpretation of the form.

Section B.—*Shipments.*

Column (1). Class of products means a combination of similar individual products. In general, the more distinct and homogeneous the product class is, the more useful will be the information you furnish. Each class of products should be listed separately and the title of each class should be descriptive of the products included. Wherever possible, products manufactured as original equipment should be listed separately from products manufactured for repair and maintenance.

The grouping into product classes is being left largely to you. In determining how many product classes should be listed in column (1), the general criteria to be used, in so far as possible, are:

(a) The nature of the raw materials incorporated in the products. Thus, valves and fittings made from different materials should be reported separately.

(b) The end use, particularly whether or not the products are manufactured primarily for use in the war effort. Thus, watch mechanisms would be grouped separately from machine-gun parts.

Examples of product classes are:

Edge tools.	Iron screws.
Insulated wire.	Portable electric tools.
Radio receiving sets.	Automobile trailers.
Industrial lift trucks.	Combat tanks.
Brass screws.	

Columns (3), (4), and (10). Report the unit of measure customarily used in measuring physical quantity, such as pieces, gallons, tons, feet, etc. The quantity of shipments should be reported if records are available. However, if the nature of the product is such that quantity units are not significant or if records of shipments are not normally maintained in terms of quantities, only the dollar value of shipments need be reported in this section.

Columns (5) to (9). Show total shipments (including transfers to other divisions, departments, or plants) for the calendar quarter October-December, 1941 in column (5), and analyze these shipments by preference ratings in columns (6) through (9). Include in columns (6), (7), and (8) only shipments made on orders supported by preference rating certificates, preference rating orders, or properly endorsed purchase orders in your possession. Include in column (9) all shipments made from the department, division, or plant which did not carry preference ratings, whether or not these shipments were for defense use.

Column (10) to (11). Estimate your total shipments (including transfers to other divisions, departments, or plants) in April-June quarter of 1942. These estimates should make allowance for conservation or limitation orders under which you are operating which will affect your production and deliveries during the second quarter of this year.

Section C.—*Inventory:* DO NOT FILL IN.

Section D.—*Optional.*

A detailed study of metal requirements can only be made on the basis of knowledge of the preference ratings against which deliveries of products have and will be made, and the end use of these deliveries. If you can supply this information without delaying the filing of your report, do so. If it will delay your completing the report, omit this section.

Part 1.—*Shipments and unfilled orders:* Analyze your total shipments for the October-December, 1941 quarter by the preference ratings listed in column (A). Show the dollar volume identified by each preference rating and other classification indicated in column (A). Show in column (C) the percentage of total dollar volume for each classification indicated in column (A).

Columns (D) and (E). It is recognized that the preference rating patterns of present and future production may differ substantially from that of the shipments in the last quarter of 1941. In order to reflect such changes, columns (D) and (E) are provided for the reporting of more current information. Analyze your unfilled order backlogs as of January 31, 1942, identified by the preference ratings listed in column (A). If you customarily fill orders from stock, or unfilled orders are not significant in your line of business, indicate this fact by estimating shipments in the second quarter of 1942 in columns (D) and (E), and label the column accordingly.

Part 2.—*Classification by industry or end use:* Many manufacturers may have few defense orders although their products may be essential to the national economy. These manufacturers may be as important as a company working directly on defense orders. For this reason each respondent should list his shipments broken down by industry, or end use for which they are shipped. List in column (A) classifications by industries or end uses of the classes of products included in Section B. Show in column (B) the dollar volume, and in column (C) the percentage of the total dollar volume for each classification listed in Column (A). Show in the space indicated the dollar volume of shipments to distributors.

Section E.—*Report of materials used in production of classes of products shown in Section B.*

Report in this section the inventories, receipts, and consumption of the specified materials which are purchased or which are obtained through transfer from other plants, or from other departments of this plant that are not covered by this report. Thus, if the form is submitted for an entire plant and some of the materials listed in Section E are produced in one operation of that plant and consumed as a subsequent operation in the same plant, the consumption and inventories of such materials should not be reported. Home scrap is an exception—inventories and consumption of home scrap should be reported.

Copyright, February 27, 1942, Research Institute.

Report only the materials specifically listed in Section E. Where the form of listed materials is not specified, include only unfabricated and semifinished forms. For oxides and other compounds of nonferrous metals report the entire weight of the compound.

Column (3). Repeat item number. This will identify entries on carbon copies even though carbon copies have slipped out of alignment.

Column (4). Quantities must be reported in the units indicated in column (4). Even though you do not keep your records in these units, please convert into the units specified. All materials listed in *tons* should be shown in *short* tons.

Column (5). Total inventory of all types and sizes on hand, September 30, 1941.

Column (7). The total quantity of material put into production during October, November, and December, 1941.

Column (8). Total inventory of all types and sizes on hand, December 31, 1941.

Column (9). The total quantity of material to be used for production during April, May, and June, 1942, regardless of whether or not the materials are to be purchased or taken from your inventory holdings. This estimate should be based on the same assumptions underlying Section B, columns (10) and (11), making allowance for conservation or limitation orders which will affect your production during the second quarter of this year.

Section E.—*Supplement:* A major objective of this inquiry is to associate the amount of metals required in the second quarter of 1942 with the fabricated products in which they will be incorporated. If you manufacture two or more classes of products (listed in Section B) and in your opinion it would be difficult to associate the material requirements shown in Section E with the product classes which you manufacture, please write the Bureau of the Census, Washington, D. C., Ref: CMR, requesting PD-275, Section E Supplement.

This form will enable you to indicate more clearly your metal requirements in terms of the particular products you produce.

R · 6,030. Sign PD-1A properly. Form PD-1A applications cannot be considered unless they are properly signed at the bottom of the first page of the copy marked "Duplicate," and not in the space marked "Certification" on the back of the sheet. Applications should be signed in the space immediately below the paragraph beginning: "The undersigned hereby certifies that he is authorized to execute this application. . . ."

R · 6,031. Priorities Regulation No. 7 allows facsimile signature for preference rating extension. In order to relieve companies which find it necessary to assign or extend a large number of preference ratings by endorsement on purchase orders from the necessity of having each one manually signed by a responsible official, Priorities Regulation No. 7, issued February 17, 1942 by the Division of Industry Operations, allows the use of a facsimile signature. Use of a facsimile signature is subject to a number of specified conditions, and a written record of each use must be kept for at least two years.

Sec. 944.27 **Priorities Regulation No. 7.** *Signature of Endorsements Evidencing Preference Ratings.*

(a) Whenever any Order or Regulation heretofore or hereafter issued requires the placing upon any purchase order or contract (or upon any document referring to such purchase order or contract) of an endorsement evidencing the application or extension of a duly assigned preference rating, such endorsement shall be signed by the party placing the purchase order or contract or by a responsible individual duly authorized to sign on behalf of such party. Such signature must be either manual or in the form of a facsimile, provided that:

(1) Each use of such facsimile signature with respect to each such purchase order or contract must be approved by the individual whose facsimile signature is used by another responsible individual duly authorized by him.

(2) Such approval must be evidenced in the case of each such purchase order or contract by a written record manually signed or initialed by the individual approving use of the facsimile. Such a record may refer to several purchase orders or contracts as to which use of the facsimile signature has been approved at the same time, but each such purchase order or contract must be separately indicated thereon. Such record need not accompany the purchase order or contract (or document referring thereto) on which the facsimile signature is used, but must be preserved for not less than two years for inspection by representatives of the Director of Industry Operations.

(b) Each such endorsement shall be deemed to constitute a representation to the Director of Industry Operations by (1) the party placing the purchase order or contract, (2) the individual whose signature is used, and (3) the individual approving the use of the same, that the statements contained in the endorsement are true.

(c) The provisions of this Regulation shall supersede any inconsistent provision contained in any Regulation or Order heretofore issued concerning the manner in which signatures must or may be made on any such endorsement.

Issued this 17th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R · 6,032. Production quotas are not negotiable. Manufacturers whose production has been limited by a WPB order cannot increase their production by buying or otherwise obtaining the right to use the quota which has been assigned to another manufacturer in the same field without receiving express permission of the Director of Industry Operations.

Sec. 944.28 **Interpretation of Limitation and Conservation Orders with Respect to the Assignability of Quotas.**

In general, where any order limits the amount of material which may be used or the number of units which may be produced by any person, whether by reference to a specified percentage of his use or production during a previous base period or otherwise, such limitations remain in effect regardless of the extent to which a producer's business may have been increased by assignment from other producers. If a producer's business is sold as a going concern and continues, in the hands of the purchaser, to make substantially the same product at the same plant and with substantially the same personnel (other than executive officers), the identity of the producer will be deemed unchanged for the purpose of such limitations. Any other arrangement whereby one producer purports to assign to another producer his quota for use of a specific material or for production of a particular product is prohibited and invalid unless specifically authorized by the Director of Industry Operations.

In appropriate cases, the Director of Industry Operations may permit the assignment of quotas when it is deemed to be desirable for the prosecution of the war or for the essential civilian economy. In cases where such permission is granted the Director may specify the same limitations under which the predecessor operated or such other limitations as he may deem appropriate in the particular case. Applications for such permission will be regarded as appeals from the applicable orders. They should be made in writing addressed to the War Production Board and referring specifically to the limitation or conservation orders involved. Such appeals may be made jointly by the parties to a proposed transfer. In every case the effect of the existing restrictions on the producer or producers in question should be precisely stated, together with the essential terms of the proposed transaction and the amount of any consideration to be paid. Where a cash consideration is to be paid, it is not expected that the Director will approve a transfer involving merely the assignment of a quota as such, without assignment of the business as a going concern, "farming out" for the account of the assignor, licensing or some similar arrangement.

Issued this 17th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,033. Interpretation No. 1 to Regulation No. 1 defines working inventory for wood pulp. A practicable working minimum inventory of wood pulp is defined as not in excess of a 60-day supply, by Interpretation No. 1 of Section 944.14 of Priorities Regulation No. 1, issued February 21, 1942. The 60-day supply, as used in the interpretation, is to be based on current method and rate of operation during any period of 90 continuous working days of the previous six months. Inventories of pulp held for the manufacture of products for Ordnance purposes or for delivery under the Lend-Lease Act, are exempt from the restrictions imposed by this interpretation.

Interpretation No. 1 of Section 944.14 of Priorities Regulation No. 1 as Amended

Sec. 944.14 The following official interpretation is hereby issued by the Director of Industry Operations with respect to Section 944.14 of Priorities Regulation No. 1 as amended December 23, 1941.

Any inventory of any grade of wood pulp in excess of sixty days' supply of that grade, on the basis of current method and rate of operation during any ninety continuous working days of the previous six months, stored either at a plant or in separate warehouses, shall be deemed to be in excess of a "practicable minimum working inventory": provided, however, that this interpretation shall not apply to pulp held for the manufacture of products for Ordnance purposes or to pulp held for delivery under the Lend-Lease Act of March 11, 1941.

Issued this 20th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,034. Liability on private orders delayed by voluntary priority.

recommendation: A contractor willing to give voluntary priority to a government order my find himself embarrassed by orders from private customers. In order to avoid legal liability, the contractor or subcontractor should get in touch with such customers and notify them of all the facts. If such private customers refuse to cooperate, the contractor or subcontractor should communicate the situation to the Priorities Division or the Priorities Committee which, it should be remembered, have the power to invoke compulsory priorities.

observation: It should, however, be pointed out that even under a voluntary system a manufacturer may not be held chargeable with a breach of contract because of late delivery caused by voluntarily giving defense orders preference if it appears that if preference were not granted voluntarily the goods or the seller's plant might be commandeered. (See *Roxford Knitting Co. v. Moore & Tierney,* referred to in the following paragraph.)

R·6,035. Liability for delayed private orders under compulsory priorities. The National Defense Act of June 3, 1916 *(c. 134 Section 120, 39 Stat. 213, 214)* is, with regard to priorities, nearly entirely identical in wording to Section 9 of the Selective Service Act of 1940 and differs only insofar as it applies to the method of compensating firms whose manufacturing plants are used by the United States. Where the National Defense Act of June 3, 1916 applied, and government work delayed the execution of contracts with civilians, such delay was excused in law, and the Act was a defense to an action against the manufacturer for breach of contract.

A manufacturer of underwear, who had contracted to furnish a stated quantity of his goods to be delivered at intervals, was held not chargeable with breach of contract because of his failure to deliver within the time fixed, the failure having been caused by the taking of his entire supply for the Army and Navy on orders given through the Advisory Commission of the Council of National Defense. This, although such orders were in form voluntary contracts, signed by both parties. The form was that customarly used by purchasing departments when prices were agreed on, and it was understood by both parties, as shown by the negotiations, that if the contracts were not accepted the goods or the seller's plant would be commandeered. *(Roxford Knitting Co. v. Moore & Tierney, 265 Fed. 177, affirming 250 Fed. 278, and 250 Fed. 288. Certiorari denied, 40 S. Ct. 588, 253 U. S. 498)*

A manufacturer who was unable, by reason of orders given by the United States Government, to comply with the provisions of a contract with another for the manufacture and delivery of certain goods, was relieved from the ordinary rule of reasonable time for deliveries after sale, by virtue of a clause in the private contract calling for shipment of certain quantities except as prevented "through acts uncontrollable by said manufacturer." It was also held that the purchaser under the private contract was not entitled to cancel it on account of the delay in deliveries so caused. *(A. L. Young Machinery Co. v. Lee Loader & Body Co., 218 Ill. App. 427)*

On the other hand, a seller, having contracted to make deliveries of woolen goods, was not relieved from liability for failure to do so by reason of the fact that the United States government had pre-empted practically the entire woolen goods supply on account of war. *(Salembler, Levin & Co. v. North Adams Mfg. Co., 178 N. Y. S. 607)*

Impossibility of performance by operation of law—in that performance would have subjected sellers to prosecution and fine and imprisonment —was a good defense in a buyer's action for non-

Copyright, March 26, 1942, Research Institute.

delivery, notwithstanding that the sellers could have performed prior to the expiration of the time within which they were required to deliver.

In an action for nondelivery of woolen cloth which the defendants had agreed to manufacture for the plaintiff, the answer alleging that delivery of yarn to the defendants by yarn mills was prohibited by the War Industries Board under the National Defense Act, thus making performance of the contract impossible, but not alleging that performance of the particular contract was forbidden, or that defendants could not have obtained yarn within a reasonable time after the contract was made and before such action was taken by the War Industries Board, was held not to state a good defense.

Where a contract to manufacture woolen cloth was entered into, the seller's failure to perform because of inability to obtain yarn under the regulations of the War Industries Board, which did not take effect until long after the contract was made, was no defense in an action for nondelivery, if the yarn was not obtained within a reasonable time after the contract was made. The seller might have foreseen such regulations and provided itself with the yarn necessary to perform the contract. *(Crown Embroidery Works v. Gorden, 180 N. Y. S. 158, 190 App. Div. 472)*

During the last war, when the government made contracts for uniform cloth, and requested through its proper Army officers that delivery be made as speedily as possible and that precedence be given over all civilian business, such orders came within the spirit and meaning of Section 120 of the National Defense Act, making compliance with all such precedence orders obligatory on a contractor with the government, so that the contractor obliged to furnish uniform cloth which complied with the orders and neglected civilian business is not liable for breach of contract to civilian customers. *(Mawhinney v. Millbrook Woolen Mills, 231 N. Y. 290, 132 N. E. 93, reversing 176 N. Y. S. 910)*

R·6,036. Liability on government orders delayed because of priorities. Army and Navy officials have been instructed, pursuant to a letter from the President dated October 8, 1940 "to refrain from taking any action pursuant to the liquidated damage clause of any contract over which they have supervision whenever they find that delay in delivery by the contractor became necessary in order to meet delivery dates on Army and Navy contracts bearing preference ratings." (See ¶s H·105 and H·105a)

R·6,037. WPB Regulation No. 1 delegates priorities powers to Division of Industry Operations Director. Authority to operate the priorities system and to administer regulations under requisitioning acts was officially vested in James S. Knowlson, Director of the Division of Industry Operations, by Regulation No. 1 of the War Production Board issued January 26, 1942. These regulations delegate to the Director of Industry Operations the powers conferred upon the chairman of the War Production Board by Executive Order No. 9040. The Executive Order abolished the Office of Production Management and transferred to the Chairman of the War Production Board the powers and functions previously exercised by OPM and by the Supply Priorities and Allocations Board. The authority delegated to the Director of Industry Operations includes power to issue priority orders and regulations; to compel the acceptance of war orders by producers and manufacturers; and to approve requisitions of other federal agencies. The power to ration products at the retail level is, however, reserved to the Office of Price Administration by Directive No. 1 of the Chairman of the War Production Board which was also issued January 26, 1942. The powers conferred upon the Director of Industry Operations may be further delegated by him to any officials he may designate in the Division of Industry Operations or to other designated government officials including contracting and procurement officers of the War and Navy Departments.

WPB REGULATION NO. 1

Delegating Powers with Respect to Priorities to the Director of the Division of Industry Operations; and Ratifying Actions of the Director of Priorities of the Office of Production Management

Pursuant to the authority vested in me by Executive Order No. 9024 of January 16, 1942 and Executive Order No. 9040 of January 24, 1942, the following Regulation is hereby issued:

(a)(1) The Director of the Division of Industry Operations, who shall be known as the Director of Industry Operations, shall perform the functions and exercise all the powers, authority and discretion conferred upon the President by section 2(a) of the Act of June 28, 1940 (Public No. 671, 76th Cong.; 54 Stat. 676) as amended by the Act of May 31, 1941 (Public No. 89, 77th Cong.; 55 Stat. 236), except the power to ration products at the retail level conferred upon the Office of Price Administration by Directive No. 1 of the Chairman of the War Production Board, issued January 26, 1942.

(2) The Director of Industry Operations shall review, clear and approve for execution all requests or proposals originating from other Federal agencies, private industry, or other sources for priority action with respect to the procurement, production, transmission or transportation of materials, articles, power, fuel and other commodities; issue or provide for the issuance of all priority orders, warrants, certificates or ratings with respect to the supply, production, transmission, or transportation of materials, articles, power.

fuel, and other commodities; and, with reference to specific priority authorities vested by law in established departments and agencies of the Government certify to such departments and agencies, when he deems such action necessary to the most effective prosecution of war procurement and production, that preferential treatment is essential for certain materials, commodities, facilities or services.

(3) The Director of Industry Operations shall, in consultation with the United States Maritime Commission, determine when, to what extent, and in what manner, priorities shall be accorded to deliveries of material as provided in section 2(a) (3) of Public No. 46, 77th Congress, First Session, entitled "An Act to Make Emergency Provision for Certain Activities of the United States Maritime Commission and for Other Purposes," approved May 2, 1941. Deliveries of material shall take priority as provided in said Act in accordance with such determinations and the orders issued in pursuance thereof by the Director of Industry Operations.

(b) The Director of Industry Operations may exercise the powers, authority and discretion conferred upon him by this regulation through such officers of the Division of Industry Operations, and such other officials of the government (including the contracting and procurement officers and inspectors of the War and Navy Departments) and in such manner as he may determine.

(c) All existing rules, regulations, orders, directions, certificates and other actions of the Director of Priorities of the Office of Production Management are hereby ratified and confirmed and shall remain in full force and effect until they expire by their terms or are revoked or amended.

January 26, 1942.

DONALD M. NELSON, *Chairman.*

R·6,038. Priorities Directive determines your PD-3A rating. The current "Army and Navy Munitions Board Priorities Directive" is a confidential list of various items, projects and group procurement objectives, each classified according to the various preference ratings, A-1-a to A-1-j, which may be automatically assigned to contracts, orders, awards and letters of intent relating to it. The AA rating is not included in the Directive and therefore may only be assigned by contracting or procurement officers with specific authorization of the ANMB (Priorities Committee) and the Division of Industry Operations, WPB. Upon receipt of the authorization by the requesting source (prime contractor), a PD-3A preference rating certificate, bearing the AA rating and coded, will be issued to the firm or individual in whose favor the AA rating was requested. A supplier who receives an order bearing an AA rating which he can fill out of inventory on hand or in process, however, may extend only an A-1-a rating for replacement and only as specified by ANMB. Opposite each item, project or group procurement objective listed in the Directive is a code number, used for identification. It has no urgency or preference significance.

R·6,039. Removal of "Critical List" does not authorize PD-3A for every material. The abolition of the Priorities Critical List which limited issuance of rating to items on that list, is not to be considered as authorization for indiscriminate assignment of preference ratings for materials which by their nature may be obtained without such certificates, and which common sense dictates do not need preference rating assistance. Moreover, certain classes of material are not usually assigned ratings, and the Army and Navy may refuse to assign ratings when they consider the assignments unwise.

R·6,040. Ratings which may be assigned on PD-3A for repair, maintenance and operating supplies. The following are the only ratings which will be assigned to necessary repair, maintenance and operating supplies:

An A-1-a will be applied in cases of actual breakdown or suspension of operations due to lack of necessary parts. The rating will be assigned only when the contracting official is assured that the required supplies are not available in the plant, that all similar machinery is operating to capacity on rated orders, that requested supplies are not in excess of the actual need, and that machinery for which the supplies are needed was working on prime contracts at the time of the breakdown.

An A-1-c will be assigned when a break-down or suspension of operations is obviously imminent. It may not be used to replace parts worn down by normal wear and tear and for which normal inventories can be built in advance.

An A-2 will be assigned for acquisition of supplies up to a minimum working inventory.

recommendation: When requesting such repair, maintenance and operating supplies, you will facilitate the procedure by sending the contracting or inspecting official a copy of the preference rating certificate PD-3A or certified purchase order.

R·6,041. Issuance of PD-3A for prime contractor or subcontractor machine tools. Form PD-3A will be issued to prime contractors and subcontractors for machine tools whether or not they are on the Numerical Master Preference List. The Numerical Master Preference List is included in the provisions of Order E-1-a for machine tools and a full explanation of its function may be

Copyright, March 26, 1942, Research Institute.

found at ¶s Vh·612 and Vh·613. This list is divided according to preference ratings; however, between firms whose deliveries have the same rating, distinction is made according to their urgency standing on the list. If a firm is not on the Numerical Preference List it will receive the rating only after detailed investigation is made by inspecting officers of the Army or Navy. However, requests for machine tools not on the Master Preference List will generally not be given an urgency standing. However, in exceptional cases, where it is justified by the Supply Arm or Bureau concerned, the contracts and contractors may be added to the list by ANMB. In cases where the subcontract and subcontractor are not on the List, but the prime contractor and contract are, the latter's urgency standing may be applied to the PD-3A of the former by the Army and Navy Munitions Board if requested.

R·6,042. Issuance of PD-3A for machine tools purchased directly by the Army and Navy and not included in a construction project. The preference rating assigned on an original PD-3A certificate will be determined from the Priorities Directive, according to the final use of the tools. If the machine tools are to have two or more uses, the lowest rated purpose will be the basis of rating, unless the contracting or procurement official considers a higher rating necessary, in which case he will apply to the Army and Navy Munitions Board. If the contract contains two or more groups of tools or equipment, and each group is to be used for just one purpose, then the preference ratings applicable to each group will be assigned. If a direct purchase of tools is accorded an urgency standing and a preference rating by the Numerical Master Preference List, this will be shown in Section 7 of PD-3A.

R·6,043. When will PD-3A be used for applying for repair, maintenance and operating supplies. Form PD-3A may be issued for *direct government purchases* of repair and maintenance supplies. In all other cases, however, it should be used only when plants or departments are operating on *prime supply contracts* of the Army and Navy. When working on subcontracts, or having less than 100% prime contracts, contractors should secure preference ratings by the Production Requirements Plan, Form PD-1A or the proper blanket preference rating order. This plan is mandatory June 1, 1942, except for supplies needed by the prime contractor to fulfill Army and Navy prime contracts in his plant. Until June 1, subcontractors and less than 100% prime contractors may use PD-3A. Use of PD-3A for repair, maintenance and operating supplies is limited to supplies needed by a supplier whose dollar volume of orders on hand is 50% or more in Army or Navy contracts or subcontracts. Those with less must use PD-1A or an applicable blanket order except for the portion of orders represented by Army and Navy contracts or subcontracts. If such a supplier needs repair, maintenance or operating supplies to produce the end item called for in a prime contract, or to produce material, assemblies or accessories supplied by a subcontractor to be incorporated in the end item, and he cannot get them under the Production Requirements Plan or any other blanket order, he may use an original Form PD-3A. Upon receipt of the certificate, the firm may extend the rating by endorsing the certified purchase order.

R·6,044. Use of PD-1A to replace inventory. A prime contractor or a subcontractor, who has heretofore depleted his inventory below a practicable working minimum in completing Army and Navy orders before extending a preference rating to replace inventory, or who for any reason is not in possession of enough materials for a practicable working inventory, may apply to the Division of Industry Operations for special consideration in replenishing or establishing such inventory. Application should be on Form PD-1A and should bear the endorsement of an Army or Navy contracting, procurement or inspecting official.

R·6,045. What constitutes material to be "physically incorporated" under a PD-3A. Material to be physically incorporated includes all commodities, accessories, parts or assemblies, or other products which are physically or chemically incorporated in the end item described in Section 5 of the PD-3A. This includes those chemicals used in processing the end item, or any part thereof and packaging and containers specifically required by terms of the prime contract. Excluded are facilities, machine tools, capital equipment, and repair, maintenance, and operating supplies.

R·6,046. When may you use PD-1A. You may use PD-1A to apply for a priority rating on any material or supplies which you cannot obtain either without a rating or by use of a rating to which you are entitled. It may not be used, however, to apply for a rating on construction work, since this is covered by P-19-h and the related forms, PD-200 and 200A. PD-1A applications may be made for machine tools or other capital equipment if their use does not involve any physical expansion of your plant. When you must enlarge your plant to accommodate additional tools, you should apply for a project rating for the expansion, accompanied by a letter requesting a rating for the required tools. When you are ordering different kinds of supplies or supplies to be used for different purposes, you should make out a separate application for every order to be placed with each of your suppliers. Otherwise, you may use the one rating for each supplier.

observation: If you are assigned a rating to cover 100 tons of steel which is all to be used for the same purpose, you may use the rating on orders for 50 tons from one company, 25 tons from each of two others, etc. You may not use it, however, to obtain a larger total quantity than the amount approved on the certificate. Further, use of the PD-1A is to apply for a higher rating than the rating you have. You must accompany such application with evidence that you have made every attempt to obtain the material with the rating originally assigned.

R·6,047. P-19-h to be used for construction projects expanding facilities. Construction projects to expand existing facilities or provide new facilities by which prime contractors or subcontractors may fulfill supply contracts of the Army Supply Arms or Bureaus will be assigned ratings on P-19-h. The prime contractor must apply for such a rating on Forms PD-200 and PD-200-A, the application to be submitted to the contracting officer having jurisdiction over the contract for which the facilities will be used. (This will be endorsed to the Army and Navy Munitions Board.) Similar construction projects of subcontractors will be assigned ratings on P-19-h by WPB. However, the subcontractor is to make application on PD-200 or 200-A to the Supply Arm or Bureau concerned, in the same way as the prime contractor. Other project rating applications should be made directly to WPB. If the installation of machine tools or other capital equipment for use in the completed project is included in the prime construction contract, or government-owned capital equipment, for use in constructing the project, the rating applied to the project by PD-3A may also be extended to such tools or equipment, provided they are listed in the certificate with urgency numbers, if applicable. Machine tools or other capital equipment, when used in connection with construction or expansion of facilities under prime supply contracts, may be included in P-19-h. The only construction work which may be covered by PD-3A is that which will be owned by the Army or Navy upon completion.

R·6,048. When may you extend PD-3A. Extensions may be made only for materials to be physically incorporated in the end product or to replace inventory. They are made by proper endorsement on the purchase order. Any prime or subcontractor who receives two or more contracts or purchase orders with the same rating (originally assigned by PD-1A or PD-3A) may include materials for all such orders in one purchase order to his supplier. If the contracts bear different preference ratings he may also include materials for their fulfillment in a single purchase order to each of his suppliers, provided that each of the different ratings shall be extended to the purchase of such materials in that ratio which the quantity of materials applicable to each rated order bears to the total quantity of materials so purchased. Whenever contracts or orders are grouped and extended on a single purchase order, the endorsement must be the same as the reverse of the PD-3A form and must show all of the preference rating certificate serial numbers received by the contractor pursuant to which the rating is being extended. The contractor must also supply such information as: prime contract numbers; initiating Supply Arm Service, or Bureau; the prime contractors; code numbers. On each purchase order issued under PD-3A, the purchaser should place a summary by unit quantities and dollar value of the materials listed therein. The certification on purchase orders extending Form PD-3A may be printed, stamped or typed on the face or back of a purchase order or may be attached as a rider endorsement and will be in the following form:

Certification

The undersigned represents to the Director of Industry Operations that Preference Rating ..... (ANMB Code No. .....) is hereby applied pursuant to Certificate PD-3A, Serial No(s). ..... and initiating Government Agency (ies) ....., Contract No(s). ..... placed with Prime Contractor(s), ... in accordance with Priorities Regulation No. 3, with which I certify I have complied. The person extending this rating must send a

Copyright, April 8, 1942, Research Institute.

certified copy of his purchase order to ..... or, if purchase involves several orders, to the inspector named on the order having the greatest value.

..... (Address) ..... (Name of Purchaser)

..... (Date) ..... (Signature and title of official)

When filling out the above certification, the blanks in the first sentence must always contain the corresponding information included in the PD-3A certificate from which the extension is being made. This places on the individual or firm holding the certificate the responsibility for properly filling in the first certification, thereby assuring subcontractors under the same certificate of correct information for their extensions.

Observation: Note that *the government* (not a supplier) can extend a **PD-3A for material *not*** physically included in an end product. This means that if a subcontractor wishes to get materials not to be physically incorporated as, for instance, machinery, he must apply to the government contracting officer for issuance of PD-3A. The recipient of such a PD-3A, i.e., the firm against whom the **PD-3A is issued, cannot, however, re-**extend the rating assigned to it.

Observation: Ratings may not be extended to cover a greater amount of material than is to be delivered to the company to which the rating was originally assigned. You are not permitted to apply a rating in anticipation of receiving rated orders.

R·6,049. Additional local priority field offices. James A. Folger, Priorities District Manager, Bureau of Field Operations, 1355 Market Street, San Francisco, California.

Elmer C. Henlein, Priorities District Manager, Bureau of Field Operations, 34 E. Fourth Street, Cincinnati, Ohio.

R·6,050. Amendment of March 10 to P-90 permits use of other ratings to get regularly stocked items. Companies operating under the Production Requirements Plan are permitted to use ratings assigned by other certificates to obtain material not regularly carried in stock, by the terms of the amendment to the Production Requirements Plan order, P-90, issued March 10, 1942. Under the terms of the order as originally issued, no company operating under the Production Requirements Plan was permitted to use preference ratings assigned in any other way, except for capital items, without a special authorization. The amendment to the order will permit a company operating under the Production Requirements Plan to extend ratings on orders received for "as required" or "special order" materials not ordinarily carried in stock without the necessity of filing special supplementary application on the appeals form, PD-25F. However, any company which uses ratings under this amendment must report such use to the Production Requirements Branch at the end of each month. Companies to which ratings have been assigned under the Production Requirements Plan are still forbidden to use any ratings assigned by a general preference rating order or certificate, or to extend ratings on orders received by them to obtain materials which are customarily carried in their regular stock.

Amendment to Preference Rating Order No. P-90
Production Requirements Plan

Paragraph (d) (1) (iii) of Preference Rating Order No. P-90 is hereby amended to read as follows:

"(iii) The Producer may not after the effective date of this Order apply any preference ratings other than those authorized on said Form to obtain deliveries of any production Materials or any maintenance, repair, and operating Supplies, to be used in the manufacture of the products listed in Section B of said Form, except (a) where specific authorization for such application is obtained from the Director through the Production Requirements Branch, (b) in the case of preference ratings of AA received after the filing of said Form, or (c) preference ratings received after the filing of said Form which necessitate the ordering of items which are purchased only as required and of which no stock is presently maintained or is contemplated will be maintained in the future. This provision shall not prohibit the Producer from making application for a preference rating for Materials required for plant expansion, construction, or other capital items."

This Amendment shall take effect immediately.

Issued this 10th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,051. Inventory interpretation No. 1 to Priorities Regulation No. 1 revoked. Interpretation No. 1 of Section 944.14 of Priorities Regulation No. 1, as amended, defining the phrase "practicable minimum working inventory" with respect to inventories of wood pulp, was revoked on March 21, 1942.

R·6,052. WPB 732—Monthly plant report required of war producers. Report form, WPB 732, was issued by the War Production Board to be filled out by every plant doing direct defense work, and returned to the Bureau of Labor Statistics, Washington, D. C. by March 25, 1942. Plants must list the principal classes of products produced during the previous month, indicating whether it is war (prime contracts and orders with AA to A-1 ratings) or civilian work. Also required

is the schedule for peak operations on war work including the expected month of peak employment and the value of war work shipments, the estimated total man hours and the estimated total wage earners in the peak month. Other data required includes total number of machine tools in the plant, the estimated number of hours and machines worked during a specified week, number of wage earners employed during the week classified as productive or non-productive employees, number of man hours worked, number of overtime hours, etc. If plants are falling behind in contract delivery schedules, they are to describe briefly their work and the problems involved.

WPB-732 BUREAU OF LABOR STATISTICS - COLLECTION AGENT FOR

THREE (3) COPIES OF THIS FORM MUST BE RECEIVED BY THE BUREAU OF LABOR STATISTICS, WASHINGTON, D. C., NOT LATER THAN MARCH 25TH. THIS FORM MUST BE FILLED OUT FOR EACH PLANT.

WAR PRODUCTION BOARD

WASHINGTON, D. C.

PLANT REPORT OF OPERATIONS FOR MONTH OF MARCH, 1942

CONFIDENTIAL FOR USE OF FEDERAL DEFENSE AGENCIES ONLY

REVELATION OF THE INFORMATION CONTAINED ON THIS FORM IN ANY MANNER TO UNAUTHORIZED PERSONS IS PROHIBITED BY THE ESPIONAGE ACT.

BL.S CODE	LOCATION OF PLANT

SECTION A. - WAR AND CIVILIAN WORK IN THIS PLANT

1. PRINCIPAL CLASSES OF PRODUCTS PRODUCED IN THIS PLANT DURING THE MONTH OF FEBRUARY (LIST THE PRODUCTS IN ORDER OF DOLLAR VALUE. "WAR WORK" IS HERE DEFINED AS ALL PRIME CONTRACTS LET BY THE ARMY, NAVY AND MARITIME COMMISSION AND ANY OTHER ORDERS BEARING AA TO A-1 PRIORITY RATINGS.)

ORDER OF VALUE	DESCRIPTION OF PRODUCT (E.G. SMALL FIREARMS, MEDIUM TANKS, TYPEWRITERS, TRACTORS, ETC.)	CHECK TYPE OF WORK IN APPROPRIATE COLUMN OR COLUMNS			
		WAR WORK		OTHER	
		ORDERS UNDER DIRECT CONTRACTS WITH ARMY, NAVY AND MARITIME COMMISSION	OTHER ORDERS WITH AA TO A-1 RATINGS	ORDERS WITH A-2 TO A-10 RATINGS	OTHER RATINGS AND UNRATED ORDERS
1ST					
2ND					
3RD					
4TH					
5TH					
6TH					

2. SHIPMENTS, UNFILLED ORDERS AND MAN-HOURS ON WAR AND CIVILIAN PRODUCTS, FEBRUARY, 1942

ITEM	TOTAL VALUE OF SHIPMENTS DURING FEBRUARY	VALUE OF UNFILLED ORDERS (FIRM COMMITMENTS INCLUDING LETTERS OF INTENT) AT END OF FEBRUARY	ESTIMATED MAN-HOURS WORKED BY WAGE EARNERS DURING FEBRUARY
TOTAL FOR PLANT	$	$	
WAR WORK TOTAL	$	$	
PRIME CONTRACTS	$	$	XXXXXXXXX
OTHER ORDERS WITH AA - A-1	$	$	XXXXXXXXX
ORDERS WITH A-2 TO A-10 RATINGS	$	$	
OTHER RATINGS AND UNRATED ORDERS	$	$	
PREPARATION FOR WAR WORK	XXXXXXXXX	XXXXXXXXX	

SCHEDULED PEAK OPERATIONS

EXPECTED MONTH OF PEAK EMPLOYMENT ON WAR WORK AS DEFINED IN (1) ABOVE . . . . _____ (MONTH) _____ (YEAR)

ESTIMATED TOTAL WAGE EARNERS DURING PEAK MONTH . . . . . _____ (ON WAR WORK) _____ (ON OTHER WORK)

ESTIMATED TOTAL MAN-HOURS DURING PEAK MONTH . . . . . _____ (ON WAR WORK) _____ (ON OTHER WORK)

ESTIMATED VALUE OF SHIPMENTS DURING PEAK MONTH . . . . . $_____ (WAR WORK) $_____ (OTHER)

ARE YOU FALLING BEHIND WAR CONTRACT DELIVERY SCHEDULES? CHECK . . . . . _____ (YES) _____ (NO)

IF ANSWER IS "YES" DESCRIBE WORK AND PROBLEMS INVOLVED BRIEFLY.

Copyright, April 8, 1942, Research Institute.

WPB-732 PAGE 2

5. ESTIMATED MAN-HOURS AND SHIPMENTS ON WAR WORK FROM 1ST QUARTER OF 1942 TO QUARTER WHICH INCLUDES ANTICIPATED PEAK MONTH SHOWN ABOVE. DO NOT ATTEMPT TO REPORT DATA BEYOND THE QUARTER WHICH INCLUDES THE PEAK MONTH SHOWN IN ITEM 3 ABOVE. ATTACH ADDITIONAL SHEET IF PEAK MONTH IS SCHEDULED FOR 1944

QUARTER YEAR PERIOD	TOTAL MAN-HOURS OF WORK DURING QUARTER YEAR PERIOD	VALUE OF SHIPMENTS DURING QUARTER YEAR PERIOD
1942		
1ST QUARTER		
2ND QUARTER		
3RD QUARTER		
4TH QUARTER		
1943		
1ST QUARTER		
2ND QUARTER		
3RD QUARTER		
4TH QUARTER		

SECTION B. - PLANT UTILIZATION NOTE: ALL THE FIGURES CALLED FOR IN SECTION B RELATE TO ONE COMPLETE WORK WEEK ENDING NEAREST THE 15TH OF MARCH.
WEEK COVERED: MARCH___ TO MARCH___, 1942

6. UTILIZATION OF METAL WORKING MACHINERY DURING SPECIFIED WEEK

METAL WORKING MACHINE	TOTAL		PRODUCTION MACHINES		TOOL ROOM MAINTENANCE AND STAND-BY	
	NUMBER IN PLACE	ESTIMATED HOURS OF OPERATION FOR ALL MACHINES COMBINED	NUMBER IN PLACE	ESTIMATED HOURS OF OPERATION FOR ALL MACHINES COMBINED	NUMBER IN PLACE	ESTIMATED HOURS OF OPERATION FOR ALL MACHINES COMBINED
MACHINE TOOLS (NON-PORTABLE POWER DRIVEN MACHINES USED FOR PROGRESSIVELY REMOVING METAL IN THE FORM OF SHAVINGS OR CHIPS)						
OTHER METAL WORKING MACHINES (NON-PORTABLE POWER DRIVEN MACHINES, SUCH AS PRESSES, FORGES, SHEARS, ETC. USED FOR THE RESHAPING OR WORKING OF PREFABRICATED METAL FORMS)						

7. DO YOU HAVE ANY METAL WORKING MACHINES AVAILABLE FOR ADDITIONAL WORK? IF SO, SPECIFY BELOW:

NUMBER	TYPE	MAKE	MODEL	SIZE	WEEKLY HOURS AVAILABLE

8. TOTAL WAGE EARNERS (EXCLUDE OFFICE AND CLERICAL, SALES, EXECUTIVE, MANAGERIAL, SUPERVISORY, TECHNICAL AND PROFESSIONAL PERSONNEL, PERSONS WORKING IN OTHER ESTABLISHMENTS ON MATERIALS FURNISHED BY YOU, AND THOSE WHO ARE INSTALLING YOUR PRODUCT, OR WHO ARE ENGAGED IN CONSTRUCTION IF SUCH WORK INVOLVES ADDITIONS TO OR MAJOR REPAIRS OF PLANT OR EQUIPMENT. INCLUDE IN TOTAL ALL OTHER SKILLED AND UNSKILLED PIECE AND TIME WORKERS IN PRODUCTION AND OTHER DEPARTMENTS SUCH AS MAINTENANCE, SHIPPING, WAREHOUSING, POWER PLANT, ETC. INCLUDE ALSO WORKING FOREMEN, AND GANG AND STRAW BOSSES, BUT NOT THOSE WHOSE WORK IS PRIMARILY SUPERVISORY.)

	NUMBER	MAN-HOURS WORKED IN WEEK
(A) TOTAL WAGE EARNERS IN PLANT		
MALE		XXXXXXXX
FEMALE		XXXXXXXX
(B) PRODUCTIVE WAGE EARNERS IN PLANT (EXCLUDE ALL SERVICE STAFF ENGAGED IN SHIPPING, RECEIVING, AND CUSTODIAL WORK)		
(C) ALL OTHER WAGE EARNERS IN PLANT		

9. TOTAL NUMBER OF PRODUCTIVE WAGE EARNERS WHO WORKED OVERTIME DURING THE WEEK .....

10. TOTAL NUMBER OF HOURS OF OVERTIME INCLUDED IN ITEM 8(B) .....

WPB-732 PAGE 3

11. EMPLOYMENT OF PRODUCTIVE WAGE EARNERS BY SHIFT. (IN THE FIRST BOX GIVE SCHEDULE ON WHICH ENTIRE PLANT, OR GREATEST NUMBER OF WAGE EARNERS IS EMPLOYED. IN SUBSEQUENT BOXES GIVE SCHEDULES SEPARATELY FOR DEPARTMENTS THAT MAY DIFFER FROM THE SCHEDULE IN THE FIRST BOX, SUCH AS MACHINE SHOP, ASSEMBLY FLOOR, TOOL ROOM, ETC.

NAME OF DEPARTMENT OR DEPARTMENTS _____

SHIFT	MONDAY THROUGH FRIDAY		SATURDAY		SUNDAY	
	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK
1ST-DAYLIGHT						
2ND-EVENING						
3RD-NIGHT						

NAME OF DEPARTMENT OR DEPARTMENTS _____

SHIFT	MONDAY THROUGH FRIDAY		SATURDAY		SUNDAY	
	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK
1ST-DAYLIGHT						
2ND-EVENING						
3RD-NIGHT						

NAME OF DEPARTMENT OR DEPARTMENTS _____

SHIFT	MONDAY THROUGH FRIDAY		SATURDAY		SUNDAY	
	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK	LENGTH OF SHIFT	NUMBER OF WAGE EARNERS AT WORK
1ST-DAYLIGHT						
2ND-EVENING						
3RD-NIGHT						

IF THE OPERATING SCHEDULES OF ANY DEPARTMENTS ARE DIFFERENT FROM THOSE PROVIDED FOR ABOVE, PLEASE EXPLAIN

_____

_____

_____

_____

12. WHAT CONSIDERATIONS CURRENTLY PREVENT YOU FROM OPERATING YOUR PLANT 24 HOURS A DAY SEVEN DAYS A WEEK?

_____

_____

_____

_____

_____

_____ (NAME OF COMPANY)

_____ (NAME OF OFFICIAL SIGNING REPORT)

_____ (NAME OF PLANT)

_____ (TITLE OF OFFICIAL)

_____ (DATE)

Copyright, April 3, 1942, Research Institute.

R·6,053. Certain reporting forms eliminated by Priorities Regulation No. 8. As the result of a study by WPB to reduce the number of PD reporting forms, Priorities Regulation No. 8 was issued on March 16, 1942. The regulation provides that all orders which require reports to be made on any of the 43 listed PD forms are amended to eliminate that requirement, except for a few general preference rating orders which are listed in Appendix "B." The forms eliminated are all involved in the application of ratings assigned by P orders.

Regulations Applicable to the Operation of the Priorities System

Priorities Regulation No. 8

Sec. 944.29 **Priorities Regulation 8.** (a) *Certain reporting requirements revoked.* Except as provided in paragraph (b) hereof, all orders heretofore issued which require any person to report upon any of the forms listed in Appendix A to this Regulation are hereby amended so as to revoke such requirements.

(b) *Exceptions to general rule.* The provisions of paragraph (a) hereof shall not apply to any of the orders listed in Appendix B to this Regulation.

(c) This Regulation shall take effect immediately.

Issued this 16th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Appendix A. Reports on the following forms need no longer be filed, except to the extent required by the orders listed in Appendix B:

Forms PD—

6	42	46A	57	68A
6A	42A	47	57A	74
13	43	47A	58	74A
14	43A	48	58A	81
30	44	48A	63	81A
30A	44A	52	63A	93
38	45	52A	64	119
41	45A	56	65	
41A	46	56A	68	

Appendix B. When required by the following Orders, reports on the forms listed in Appendix A shall continue to be filed:

Orders P—

19	29	51	68	87
19-a	42	56	73	95
19-e	42-a	62	82	115
19-h	43	65	86	

R·6,054. Interpretation of Priorities Regulation No. 1 eases inventory position of seasonal producers. An official interpretation of Priorities Regulation No. 1, issued March 9, 1942, provides that companies engaged in seasonal operations will not be considered in violation of the regulation if they refrain from hoarding and if the deliveries which they receive for inventory are no greater and no further in advance than those normally accepted in the normal course of business to meet anticipated requirements.

Priorities Regulation No. 1 Interpreted

The following interpretation is hereby issued by the Director of Industry Operations with respect to Section 944.14, "Inventory Restriction," of Priorities Regulation No. 1, as amended:

The question has been raised, in connection with various seasonal industries, whether a company which is engaged in such an industry and which normally stocks up inventory in advance of the season, is forbidden by the foregoing Regulation from doing so.

The prohibition against accepting delivery of inventory "in excess of the practicable minimum working inventory reasonably necessary to meet deliveries of the products of the Person accepting delivery, on the basis of his current method and rate of operation," does not prevent the acceptance of delivery by such Person of his requirements of the inventory in question provided, (a) that such Person is not guilty of hoarding, and (b) that the deliveries accepted are no greater and no further in advance than those which he would normally accept in the ordinary course of his business to meet reasonably anticipated requirements.

Issued this 9th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

R·6,055. Relative material scarcity list of the WPB Conservation Division. The first of a periodic series of provisional reports on the relative scarcity of certain materials was issued March 12, 1942 by the Conservation and Substitution Branch of the Bureau of Industrial Conservation. This list can be used as a guide to future development of the priorities situation.

Group I

Materials most vitally needed for war purposes; not generally available for civilian needs.

Metals

Alloy Steel
Iron Alloys
Alloy Steel
Wrought Iron
Aluminum
Aluminum Scrap
Cadmium
Calcium-Silicon
Chromium
Cobalt
Copper
Copper Scrap
Iridium
Lead
Magnesium
Nickel
Tin
Tinplate and Terneplate
Tungsten
Tungsten
(High Speed Tools)
Vanadium

Chemicals

Alcohol
Methyl
Chlorinated Hydrocarbon Refrigerants
Chlorinated Hydrocarbon Solvents
Chlorine
Toluene
Diphenylamine
Formaldehyde
Paraformaldehyde
Hexamethylenetetramine and Synthetic Resins therefrom
Phenols
Polyvinyl Chloride
Sodium Nitrate (pure)

Miscellaneous

Agar
Asbestos (Long Fiber)
Burlap & Burlap Products
Cashew Nut Shell Oil
Corundum
Cotton Linters
Graphite (Madagascar)
Hemp Seed
Jewel Bearings
Kapok
Manila Fiber & Cordage
Pig & Hog Bristles
Rubber, Crude, and Latex
Chlorinated
Synthetic
Shearlings
Silk
Silk Waste
Silk Noils
Garnetted & Reclaimed
Silk Fiber
Sperm Oil
Tin Cans
Titanium Pigments
Tung Oil

Group II

Basic Materials that are Essential to the War Industries

(Continued on following page)

but Whose Supply is not as Critically Limited as Materials of Group I.

Acetone
Ammonia (anhydrous)
Antimony
Arsenic
Barium Carbonate
Beryllium-Copper Alloys
Borax
Calcium
Carbon Tetrachloride
Camphor
Casein
Glaseine
Kraft paper
Citric Acid
Cocoanut Oil
Cork
Cotton Duck
Cryolite
Diamond (Industrial)
Diamond Dies
Flax
Fish Liver Oils
Glycerine
Hides and Leather
Iodine
Jute and Products
Linseed Oil
Manganese
Mercury
Mica splittings
Molasses
Molybdenum
Natural Gas
Natural Resins
Nylon
Parchment Paper
Palm Oil
Phosphorus
Platinum
Potassium Perchlorate
Potassium Permanganate
Quartz Crystals
Quinine
Rapeseed Oil
Rayon
Rhodium
Rubber (Reclaimed)
Shellacks
Sisal
Steel, Carbon Scrap
Spirits, Distilled
Sugar
Teak
Tanning Materials
Tetra Ethyl Lead
Titanium Pigment
Vitamin "A" Products
Wool
Zinc (all grades)

Group III

Materials available in some quantities for other than strictly war purposes. However, the use may be restricted by accompanying manufacturing limitations. Restrictions are commonly imposed, but supplies are not critically short, except in the case of Iron and Steel.

Substitute Materials

Asbestos (common)
Asphalt
Brick and Tile
Cement
Ceramics
Clay
Coal and Coke
Slate
Sulfur
Concrete
Cotton
Feldspar
Glass
Gold
Iridium (plating)
Lignin
Limestone and marble
Wall Board
Wood and Products
Wood Flour
Wood Fibres
Wood Pulp
Lumber and Millwork
Mineral Wool
Paper (except items under II)
Paperboard
Plywood
Salt
Silver

Materials Available in Varying Amounts for Substitutions

Ammonia (aqueous)
Bismuth
Cellophane
Cottonseed Oil
Gypsum and Products
Hair (cow, horse)
Palladium
Petroleum Products
Crude Oil
Gasoline
Lubricating Oil
Paraffin
Plastics (cellulose, acetate, butyrate)
Rosin
Ruthenium
Silicon and Alloys
Soy Beans and Products
Protein
Oil
Turpentine
Uranium

War Materials Presently Available for Substitutions in Critical Civilian Industry

Basic Low-Carbon Steel
Bessemer Steel
Gray Cast Iron
Malleable Iron

R·6,056. Who may interpret priority orders. Official interpretations of priority orders or regulations, according to a statement of March 23, 1942 by the Director of Industry Operations, are issued only over the signature of the Director of Industry Operations, the General Counsel of the War Production Board, or the Assistant General Counsel for the Division of Industry Operations. An explanation of an order, indicating the order's application in a particular case, may be issued by the branch or section chief or other official to whom the administration of the particular order has been assigned. Interpretations or explanations issued in any manner not in conformity with the above procedure are not official.

R·6,057. Check list of products for which critical materials may not be used. Following is a list of products whose manufacture has been ordered prohibited by WPB and products in which critical materials may not be used after the indicated dates. In parentheses after products in the latter group are the materials which may not be used in their manufacture. Thus, curtain rods may be produced after June 30, but no metal may be used in their manufacture; while no electric toasters at all may be manufactured after May 31, 1942.

Product	*Order No.*	*Prohibition Date*
Amusement machines	L-21	April 30, 1942
Ash trays and smoking stands (metal)	L-13 & 62	May 31, 1942
Automobiles	(Various orders & dates)	
Awning frames and supports (metal)	L-62	May 31, 1942
Billboards, metal signs	L-29	June 30, 1942
Burial vaults, morticians' goods (metal, except gold and silver)	L-64	June 30, 1942
Caskets (metal, except gold and silver)	L-64	June 30, 1942
Chairs, except shipboard use (metal)	L-13 & 62	May 31, 1942
Clothes racks (metal)	L-62	May 31, 1942
Clothes trees (metal)	L-62	May 31, 1942
Coat hangers, except wire hook for wood hanger (metal)	L-30	June 30, 1942
Curtain rods (metal)	L-30	June 30, 1942
Doors, except as required by underwriters' code (metal)	L-13	May 31, 1942
Door mats (metal)	L-62	May 31, 1942
Electric grills	L-62	May 31, 1942
Electric ironers	L-6-b	April 15 & May 15, 1942
Electric irons	L-65	May 31, 1942
Electric roasters	L-65	May 31, 1942
Electric toasters	L-65	May 31, 1942
Electric waffle irons	L-65	May 31, 1942
Electric massagers and vibrators, except medical, profession use	L-65	May 31, 1942
Flashlight cases (no iron and steel except essential uses)	L-71	May 31, 1942
Flexible steel mats and rugs (metal)	L-62	May 31, 1942
Furniture, except for shipboard (metal)	L-29 & 13	May 31, 1942
Gaming machines	L-21	Jan. 31, 1942

Copyright, April 17, 1942, Research Institute.

Product	Order No.	Prohibition Date
Hand mirrors (metal)	L-62	May 31, 1942
Hat racks (metal)	L-62	May 31, 1942
Juke boxes	L-21	April 30, 1942
Kitchen cabinets—home (metal)	L-62	May 31, 1942
Lockers (metal)	L-13	May 31, 1942
Necktie racks (metal)	L-30	June 30, 1942
Ornamental steel jackets on heaters, water, gas, etc.	L-42	June 1, 1942
Outboard motors, except A-1-k or higher	L-80	March 27, 1942
Partitions (metal)	L-13	May 31, 1942
Picture frames (metal)	L-62	May 31, 1942
Plant and flower supports (metal)	L-62	May 31, 1942
Portable washing machines	L-6-b	April 15 & May 15, 1942
Pressing irons—boudoir and traveling	L-65	May 31, 1942
Radiator covers (metal)	L-62	May 31, 1942
Radio Receivers	L-44-a	April 23, 1942
Record makers and players	L-44	April 23, 1942
Refrigerators	L-5	April 30, 1942
Road and street signs and posts (metal)	L-29	June 30, 1942
Safes and vaults, except A-2 or higher	L-13	May 31, 1942
Shoe trees (metal)	L-30	June 30, 1942
Signs (metal)	L-29	June 30, 1942
Smoking stands—smokadors (metal)	L-62	May 31, 1942
Soap receptacles (metal)	L-30	June 30, 1942
Soft drink dispensers	L-38 & 27	April 30, 1942
Sun lamps, except for medical profession only	L-65	May 31, 1942
Swivel chairs (metal)	L-13	May 31, 1942
Table tops for household use (metal)	L-62	May 31, 1942
Toilet paper holders (metal)	L-30	June 30, 1942
Tooth brush holders (metal)	L-30	June 30, 1942
Toys—all types involving specified scarce materials	L-81	June 30, 1942
Vacuum cleaners—household	L-18	April 30, 1942
Venetian blinds (metal)	L-62	May 31, 1942
Vegetable bins (metal)	L-30	June 30, 1942
Vending machines	L-27	April 30, 1942
Wastebaskets (metal)	L-13	May 31, 1942
Weighing machines, coin operated	L-21	April 30, 1942
Window display advertising, signs only (metal)	L-29	June 30, 1942
Windows (metal)	L-80	March 28, 1942
Wire racks and baskets, except industrial (metal)	L-62 & 13-b	May 31, 1942
Washing machines, household laundries	L-6-b	April 15 & May 15, 1942
Phonographs	L-44	April 23, 1942
Metal cabinets, except: Enameled filing cabinets Visible record equipment Cases and bases	L-13-b	May 31, 1942
Clothes hampers (metal)	L-62	May 31, 1942
Dry shavers	L-65	May 31, 1942
Electric dryers, hand and face	L-65	May 31, 1942
Electric broilers	L-65	May 31, 1942
Electric percolators	L-65	May 31, 1942
Food warmers	L-65	May 31, 1942
Mixers, whippers and juicers	L-65	May 31, 1942
Shoe racks (metal)	L-30	June 30, 1942
Radiators, large tubing	L-42	June 1, 1942

R·6,058. Form PD-395—application for preference rating for deliveries of material from the United States to Canada.

PD-395—(3-27-42)

DEPARTMENT OF MUNITIONS AND SUPPLY, CANADA
War Production Board, U. S. A.

To: Priorities Branch, Department of Munitions and Supply, Ottawa, Canada

Ref: U. S. Priorities Specialist

Application for Preference Rating for deliveries of Material from the U. S. under Preference Rating Order P-.... (This application must be submitted in triplicate).

A..... .....
Name of Applicant Address

B. Departments, Divisions or Plants to be certified to use of ratings under Order P-.... and locations thereof:.....
.....

Certification

The undersigned applicant hereby certificates to the Department of Munitions and Supply, Canada, and to the War Production Board, U. S. that:

(1) the facts stated herein are true and correct;

(2) the applicant accepts the terms and conditions of Preference Rating Order P-....;

(3) the applicant will not use Preference Rating Order P-.... to secure materials in the U. S. which can be obtained in Canada.

Date..... .....
(Name of Company)

.....
(Signature of Duly Authorized Official)

.....
(Title)

Assignment of Serial Number

(A) Application Recommended for Approval ☐
Application Rejected ☐

(B) Serial No.....issued

....
Date (Signature of United States Priorities Specialist)

For Official Use Only

Section 35(A) of the U. S. Criminal Code (18 U.S.C.A. 80) makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

By Order of the Wartime Industries Control Board any Canadian Applicant for or user of a United States Preference Rating Order or Certificate shall be liable to penalties provided by Order-in-Council 6835, as amended (being the Wartime Industries Control Board Regulations) for failure to comply with the terms of such preference rating Order or Certificate, or for making a false statement or representation thereunder.

R·6,059. The Army and Navy Munitions Board (ANMB) Code Number. PD-3A certificates are issued according to the Priorities Directive. This Directive (see ¶ R·6,038) assigns to each item for which a preference rating can be granted a preference rating and a specific serial number called a "Code Number." So for instance, a preference rated certificate covering a contract for aircraft guns would be rated A-1-a and the "ANMB Code No.," i.e., the serial number of the item in the Directive, would be "6." Prime certificates and all extensions for items not covered by the Directive or getting higher rating than in the Directive are given ratings under an authorizing letter of the ANMB. This letter would show, as "ANMB Code No.," instead of a serial number the date and file number of the authorizing letter in lieu of the Directive code number. An example of this would be "ANMB Ltr. 1-7-42, 18-D-10, BDS."

R·6,060. Action taken on PD-3A applications for machine tools, capital equipment, repair parts and foreign orders. The action taken by the Army and Navy Munitions Board after receiving your PD-3A application and the accompanying PD-20 form may be described as follows: upon receipt of the documents required, the contracting, procurement, or inspecting official will complete the PD-3A certificate by placing in the certification on the reverse, his own name, or name of the proper inspecting official. After carefully studying Form PC-20 and after making an investigation of the truth of the statements and having satisfied himself that the request is justified, the official (not the contractor) will execute Form PC-20a in triplicate, and dispose of the matter as follows:

For Machine Tools on Numerical Master Preference List.—In case of machine tools on the Numerical Master Preference List, the contracting procurement or inspecting official will endorse all copies of the PD-3A certificate to the Supply Arm or Bureau concerned. If that Supply Arm or Bureau concurs in the endorsement of the contracting, procurement, or inspecting official, it will assign the preference rating and urgency standing provided in the Numerical Master Preference List, countersign the original PD-3A, and distribute the copies thereof.

For Machine Tools Not on the Numerical Master Preference List.—If the request is for machine tools, and the contract or subcontract and the prime contractor or subcontractor are not listed in the Numerical Master Preference List, the contracting, procurement, or inspecting official will forward the original and duplicate PC-20 and PC-20a, and the related PD-3A, in quintuplicate, to the Supply Arm or Bureau concerned. The Supply Arm or Bureau concerned, provided that it concurs in the endorsement of the contracting, procurement, or inspecting official, will endorse the original PC-20 and PC-20a and the related PD-3A, in quintuplicate, to the Army and Navy Munitions Board (Priorities Committee). If the Army and Navy Munitions Board (Priorities Committee) concurs, it will apply the proper rating to the PD-3A certificate, countersign it, and make distribution.

For Capital Equipment.—If the request from a prime or subcontractor is for any of the capital equipment listed, the contracting, procurement, or inspecting official will forward the original and duplicate PC-20 and PC-20a, and the related PD-3A, in quintuplicate, to the Supply Arm or Bureau concerned. If that Supply Arm or Bureau concurs in the endorsement of the contracting, procurement, or inspecting official, it will endorse the original PC-20 and PC-20a, and the related PD-3A, in quintuplicate, to the Army and Navy Munitions Board (Priorities Committee). If the Army and Navy Munitions Board (Priorities Committee) concurs it will apply the proper rating to the PD-3A certificate, countersign it, and make distribution. Whenever the request for capital equipment involves a purchase costing less than $1,000, the Supply Arm or Bureau concerned (or the contracting, procurement, or inspecting official, if authorized by the Supply Arm or Bureau) may issue the PD-3A certificate and distribute, with the original PC-20 and PC-20a attached to the triplicate copy of PD-3A being forwarded to the Army and Navy Munitions Board.

For Repair, Maintenance and Operating Supplies.—The rating may be assigned and the certificate issued by any contracting or inspecting official whenever, in his judgment, the facts presented to him are within the purview of these instructions, and justify such action. The certificate may be prepared by either the contracting, procurement or inspecting official, or by the individual or firm requesting the repair, maintenance or operating supplies as follows: (1) The certificate will be issued in the name of the individual or firm requiring the repair, maintenance or operating supplies and his address shall be shown in Section 2 of the certificate. (2) The related number of the prime contract, its rating, and the corresponding serial number of the prime preference rating certificate shall be shown in Section 3 of the preference rating certificate. If more than one prime contract is involved, as many of the price contract numbers, ratings, and corresponding serial

Copyright, April 17, 1942, Research Institute.

CHAPTER III

How Prices Are Controlled

THE ADMINISTRATION of price control got under way at a time when there was no existing legislation which had for its primary purpose the control of all commodity prices. However, certain agencies, useful for government control of prices, were in existence. First, there was the old-line agency, the Department of Justice, which enforces the Sherman Act. Second, there was the Temporary National Economic Committee which was engaged in making studies of the upward spiraling of prices. In addition, a Price Stabilization Division was set up within the National Defense Advisory Commission for the analysis of price movements and for the development and application of controls. The Price Stabilization Division was succeeded by the Office of Price Administration and Civilian Supply, later subdivided into two agencies —the Office of Price Administration and OPM's Division of Civilian Supply. This Chapter discusses the price operations of these agencies.

Antitrust Enforcement as Price Control

S·1. Prevention of war profiteering. The outbreak of the European war placed new responsibilities on the Antitrust Division of the Department of Justice. The attempt to prevent the European War from distorting the American economy resulted in greater emphasis on the necessity of nation-wide policing of combinations in restraint of trade and the control of profiteering. Antitrust proceedings are aimed to determine whether price rises are caused by the use of arbitrary power by business. The Sherman Act is the statute that is considered the front line of defense against unbalanced prices and arbitrary price advances and will constitute a major weapon in the attack.

It is the problem of the Antitrust Division to keep in touch with devel-

Defense and expanding business exert powerful upward pressure on prices. What steps are being taken to offset this pressure? You may be required to justify price increases. Actual or imminent control of prices may hold the key to your inventory and pricing problems.

opments and to distinguish justified price increases from those which are unjustified. For a full discussion of how the antitrust laws operate see Tab E.

S·2. Cooperation of Antitrust Division with other governmental agencies. A program of cooperation has been drawn up by which the Antitrust Division will cooperate with other governmental agencies in the attempt to prevent unjustified price rises. The scope of the program drawn up by the Antitrust Division is as follows:

"1. The Antitrust Division must not work in a vacuum. It must maintain a liaison with the War and Navy Departments, the Department of Agriculture, the Department of Commerce, the Treasury Department and with the War Resources Board. This liaison may avoid duplication of work, it may permit the joint use of personnel, and finally, it should prevent conflicts of policy.

"2. Plans are already under way in the various departments to coordinate the agencies with business or statistical information. Out of this may come a War Industries Statistical and Research Committee. Such a service is essential in the determination of what complaints and what industrial situations the Antitrust Division can most effectively attack. It should supply much of the research which the Antitrust Division has had to do in the past in the preparation of its cases.

"3. Plans are under way for a closer coordination of the personnel of the Federal Trade Commission with that of the Antitrust Division. These two agencies should supplement each other. A definite policy for more effective cooperation with the Federal Trade Commission is being worked out.

"4. Nationwide effort must be made to coordinate the work of the Department of Justice with the work of the state authorities. The Governors of Wyoming, Texas, California, and Missouri have already signified their willingness to tie state laws with federal laws dealing with restraints of trade. We need to work out a plan by which we may obtain orderly reports from local state enforcing units if we are to police the economic traffic of America during the difficult times ahead.

"5. And finally, we must seek to organize consumers so that reliable complaints may reach us in an orderly way. The Consumers Council now attached to the Department of Agriculture may be made an important organization center and clearing house for consumer reporting in widely scattered localities."

S·3. Arnold's statement on the purposes of the antitrust law. In an address on October 10, 1939, Mr. Thurman Arnold, Assistant Attorney General, stated the purposes of the antitrust law as follows: "The Antitrust Division is primarily concerned in seeing that the legal privileges granted to groups in a highly organized society are not unreasonably used. It does not seek to destroy any combinations which can justify their existence in the interest of wide or cheap distribution of goods. The reasonable use of collective bargaining by labor, or farm cooperatives by farmers, or trade associations by small business, or the corporate franchise by great industrial organizations should not be attacked. Some of the privileges are established by the legislature, others by common law. Our task it not to stem the tide of progress, but to see that the use of such privileges is restricted

Copyright, October 17, 1941, The Research Institute of America, Inc.

to the purposes for which they were granted. None of them, not even patents, were granted to be principally used in the restraint of trade."

observation: The Antitrust Division's prosecutions and investigations are conducted with the following ends in view: (1) To insure freedom of economic action wherever such freedom is possible without destroying efficiency; (2) To slow down industrial concentration on a scale larger than the circumstances in any industry will justify; (3) To prevent cooperation between independent enterprises from degenerating into profiteering.

observation: An essential part of the antitrust laws is the application of the "rule of reason." This broadly means that only *undue* or *unreasonable* restraints violate the Sherman Act. In applying this test, the particular conditions in each case will determine the legality of the practice.

S·4. How Antitrust Division will prevent unjustified increases. If the Antitrust Division finds that an unjustified price increase is the result of a combination, it can ordinarily make out a case that such combination is unreasonable. The test of whether the combination is unreasonable will be determined by the results. In the case of such an unreasonable combination, the organization will be found to be one that is not increasing efficiency of production or marketing; it is not passing the saving on to consumers. The Antitrust Division can in this way check any possible tendency of associations and organizations dealing with production and distribution to take advantage of situations where profiteering is possible.

To prevent unjustified price increases from developing the Antitrust Division relies largely on the pressure of potential enforcement rather than on actual indictments. The Division has its investigators in all sections of the country analyzing specific situations. The result has been that in no industry which the Division is actively investigating has there been any price rise due to war conditions.

S·5. Penalties for antitrust law violations. The Antitrust Division has two tools to work with—the civil and the criminal procedure. The Division has found, however, that the criminal procedure is the only effective measure of prevention. The civil procedure has been found to be useless in making violations of the antitrust laws sufficiently hazardous so that they will not be carelessly or lightly undertaken. It has been found that without the imposition of penalties under the criminal indictment business men have everything to gain and nothing to lose in seeking profits through aggressive combinations.

recommendation: If you see that your competitors are getting together to fix prices at present levels, to raise them to increased levels or are in any way combining to affect prices, you should immediately complain to the Justice Department's Antitrust Division which will investigate and take appropriate action. The Division operates largely on cases arising from complaints of businessmen. It keeps the name of the complainant confidential. You should bring what you consider to be unwarranted price increases in your industry to the attention of the Division. By so doing you may check a general price rise which would seri-

ously hinder your getting defense business. It is the function of the Division to check all such rises, and it is usually rather speedy in its action along these lines.

S·6. Antitrust Division cooperates with OPA. Because the national defense program may require industry-wide cooperation and the carrying out of uniform policies by all sections of an industry, the Department of Justice has recognized that certain acts performed by industry to promote the public interest and not to achieve private purposes do not constitute violations of the antitrust laws. Business men who are asked to comply with government plans for increased production and for the prevention of inflation will not be penalized on charges of violating the antitrust laws because of cooperative action. The Department of Justice has, therefore, formulated a policy to assure business against any uncertainties. It should be noted, however, that the immunity thus given depends on the performance of the acts in question under the direction of public authority. The important points of this policy as set forth in a letter by the Attorney General to the Office of Production Management and the Office of Price Administration and Civilian Supply, since changed to the Office of Price Administration, are as follows:

(1) Meetings of the industry with the Office of Production Management and the Office of Price Administration or their representatives are not illegal. Industry committees may be formed at the request of the Office of Production Management or the Office of Price Administration to work with representatives of such offices on problems involving defense. There is nothing unlawful in the industry cooperating in the selection of its representatives or in selecting members for committees, or in the activities of such committees, provided that they are kept within the scope of this letter.

Questions as to whether there is need for such a committee, and if so, how it shall be chosen, and by whom constituted, are the sole responsibility of the Office of Production Management or the Office of Price Administration. The Department of Justice does not participate in these decisions beyond the suggestion that any such committee should be generally representative of the entire industry and satisfactory to the Office of Production Management or the Office of Price Administration.

(2) Each industry committee must confine itself to collecting and analyzing information and making recommendations to OPM or to OPA and must not undertake to determine policies for the industry. It must not attempt to compel or to coerce anyone to comply with any request or order made by a public authority.

All requests for action on the part of any unit of an industry must be made to such unit by OPM or OPA and not by the industry committee. That is to say, the function of determining what steps should be taken in the public interest should in each case be exercised by the public authority which may seek the individual or collective advice of the industry. But the determination must not be made by the industry itself or by its representatives.

(3) Requests for action within a given field, such as the field of allocation of orders, must be made only after the general character of the action has been cleared with the Department of Justice. If the general plan is approved, there-

Copyright, October 17, 1941, The Research Institute of America, Inc.

after each request for specific action in carrying out such plan must be made in writing and must be approved by the Office of the General Counsel of OPM or the office of the General Counsel of OPA but need not be submitted to the Department of Justice. In case of any change in the personnel of such offices or if serious practical difficulties arise, this latter arrangement may be revoked upon notice from the Attorney General.

(4) Acts done in compliance with specific requests made by OPM or OPA and approved by their General Counsel in accordance with the procedure outlined above will not be viewed by the Department of Justice as constituting a violation of the antitrust laws and no prosecutions will be instituted for acts performed in good faith and within the fair intendment of instructions given by OPM or OPA pursuant to this procedure.

¶ ***observation:*** It is important to note that in the case of all plans or procedure, the Department of Justice reserves complete freedom to institute civil actions to enjoin the continuing of acts or practices found not to be in the public interest and persisted in after notice to desist.

S·7. Enforcement of OPA's orders by Antitrust Division. The activities of the Antitrust Division of the Department of Justice have been coordinated with efforts by the Office of Price Administration to achieve enforcement of price orders. The President has approved the following arrangement, set forth in a letter from the Attorney General to the Price Administrator, dated May 16, 1941:

"1. Whenever you find that prices are being driven up or held up by any method or device which is a probable violation of the antitrust laws, you may certify the case with such information as you have in support of it to this Department. The Department of Justice will give such cases priority of investigation and prosecution and will at once begin investigation by the Federal Bureau of Investigation, the staff of the Antitrust Division and, in appropriate cases, by grand juries.

"2. Proposals of civil or criminal proceedings under the antitrust laws may, before authorization by me, be submitted to you for advice as to whether the proposed action would have any adverse effect on your price-stabilizing efforts and, if not, as to whether because of its effect on your work, the case should be conducted as a preferred case. I will determine authorizations and classifications after receiving your advice, which I hope you can arrange to furnish with expedition.

"3. Proposals of price action by you may be submitted to this Department for an expression of advice as to the effect on any pending or contemplated proceedings or for information as to the industry which may be in the possession of this Department.

"4. In matters not covered by this arrangement, such as preferences among pending cases in this Department, we will establish informal cooperation with your office."

Office of Price Administration

S·10. Predecessors of OPA. The Office of Price Administration was preceded first by the Price Stabilization Division of the National Defense Advisory Commission, then by the Office of Price Administration and Civilian Supply which was then divided into the Office of Price Administration, on the one hand, and the Division of Civilian Supply of OPM, on the other.

S·11. Operations of Price Stabilization Division. The Price Stabilization Division of the National Defense Advisory Commission under the direction of Commissioner Leon Henderson preceded the Office of Price Administration and Civilian Supply as the main defense price control agency. It had the duty of observing price trends in basic commodities, making studies of all problems affecting prices and recommending legislation, policy or procedures to prevent unwarranted price increases such as occurred in the World War. The Price Stabilization Division undertook to make the following studies:

(1) Price fixing proposals in the Army Industrial Mobilization Plan and its economic implications, necessary administrative procedures or alternative proposals made in this connection;

(2) Capital markets and their role in emergency wartime financing, a joint study with the Securities and Exchange Commission;

(3) Priorities and their direct relationship to prices and price administration;

(4) The economic organization within belligerent countries;

(5) General cost considerations in negotiated defense material contracts;

(6) Financing and amortization of new plant facilities particularly through the use of governmental capital;

(7) Strategic and critical materials, with a view to anticipating the extent of the defense program's impact on prices;

(8) A continuous check on important and individual commodity prices and the general price level, through special arrangement with the Bureau of Labor Statistics.

S·12. Price Stabilization Division replaced by OPACS. Until April, 1941, price control was in the hands of the Price Stabilization Division and the Consumer Division of the National Defense Advisory Commission. Even after the organization of the Office of Production Management, it continued to exist only as a part of the NDAC. As the price situation grew more serious, it was felt that the agency for price control and the protection of consumers' interests needed a more effective position in the defense set-up. The following paragraphs discuss the structure and functions of the Office of Price Administration and Civilian Supply, created for that purpose.

Observation: All of OPACS price functions were automatically transferred to the Office of Price Administration when OPACS was divided in two.

S·13. Establishment of the Office of Price Administration and Civilian Supply. On April 11, 1941, the President established by Executive Order 8734 the Office of Price Administration and Civilian Supply as part of the Office of Emergency Management in the Executive Office of the President. It combines the price, consumer and in part the agricultural divisions of the National Defense Advisory Commission in a single organization, coordinate with the Office of Production Management, responsible directly to the President through the Office of Emergency Management, and equipped with all necessary authority. The Office is commonly designated by its initials as OPACS.

S·14. Purpose and responsibilities of OPACS. The purpose of the order setting up the Office was to prevent profiteering and unwarranted price increases, to insure the necessary supply of goods for civilian requirements after military needs have been met, and to see that there is an equitable distribution of the materials and commodities which are available for civilian use.

Four major responsibilities were given the Office of Price Administration and Civilian Supply. They are:

1. Control over prices.

2. Provision for the necessary supply of materials and commodities for civilian use once military needs have been met.

3. Equitable distribution of those materials and commodities among competing civilian groups.

4. Protection of consumer interests.

S·15. Structure of OPACS. The Office of Price Administration and Civilian Supply is divided into six sections: (1) The Price Division; (2) the Consumers Protection Division, headed by Harriet Elliott and carried over from the Defense Commission; (3) the Civilian Supply Division; (4) the General Counsel's Office; (5) the Defense Economics Service, which will deal with refinements of estimates of productive capacity and demand; and (6) the Defense Finance Section, which will study war finance techniques in other nations and recommend any tax or borrowing programs thought necessary to absorb buying power and check inflationary price trends. The Defense Finance Section will operate in close cooperation with the Securities and Exchange Commission.

S·16. Duties of the Administrator. The Administrator of OPACS is Leon Henderson who functioned as head of the Price Stabilization Division of the National Defense Advisory Commission. Full responsibility is invested in the Administrator, who is made head of the Office of Price Administration and Civilian Supply. To discharge the responsibilities vested in him, the Administrator will make the necessary studies and will conduct investigations and hold hearings. He will also consult and advise with other agencies of the government, especially the Office of Production Management, with regard to prices, supply, and their other activities which may affect prices.

Internal organization and management of the Office of Price Administration and Civilian Supply will be provided for by the Administrator, who is authorized to appoint such advisory committees as he may find necessary.

Copyright, October 17, 1941, The Research Institute of America, Inc.

S·17. Price Administration Committee. The Administrator may of his own authority determine and publish maximum price schedules. It is also provided, however, that he may convene a Price Administration Committee, created by executive order, and ask it to submit to him findings and recommendations in regard to maximum prices and other elements of costs.

This Committee is composed of the Administrator, as chairman, and the Secretary of the Treasury, the Secretary of Agriculture, the Federal Loan Administrator, the Chairman of the Federal Trade Commission, the Director General and Associate Director of the Office of Production Management, or such alternates as each may designate, and any other members whom the President may appoint.

S·18. Powers of the Administrator. Broad powers are vested in the Administrator. These derive from the following statutes:

(1) *Section 9 of the Selective Training and Service Act of 1940* which provides for the placing of compulsory orders and for the requisitioning of plants in the event of failure or refusal to comply with such orders. The Administrator would recommend to the President the exercise of the authority vested in him whenever, in the opinion of the Administrator, such action by the President will enable the Administrator to carry out and secure compliance with any proper exercise of authority. (See ¶ T·101)

(2) *Section 120 of the National Defense Act* which contains the same provisions and would be used for the same purpose and in the same manner as Section 9, above. However, it is not operative in the absence of a full emergency. Its provisions are broader than those of Section 9, in that the President can exercise his powers through any department or officer of the government rather than being restricted to War and Navy. (See ¶ T·102)

(3) *Section 1 (15) of Title 49, U. S. C.*, which authorizes the President, in time of war or threatened war, to certify to the Interstate Commerce Commission that certain traffic shall have preference or priority in transportation. This power may be used as a sanction to secure compliance with maximum prices by withholding transportation facilities from violators. (See ¶ T·114)

(4) *The Act of October 10, 1940* which authorizes the President to requisition materials denied export. The Administrator would recommend this procedure to the President in order to get an increased supply of materials and commodities and also to get compliance whenever such action is necessary. (See ¶ Q·716)

(5) *Section 336(a) of Title III of the Tariff Act* which authorizes the President to request the Tariff Commission to investigate differences in costs of production of any domestic article and of any like or similar foreign articles. The Administrator will thus get the aid of the Tariff Commission in conducting such studies and investigations as will enable him to discharge his responsibilities. As a matter of fact, the Tariff Commission has already undertaken a study of the costs of mining copper.

LAW: Act of June 17, 1930 (Tariff Act). Sec. 336(a), Title III, 46 Stat. 701. *In order to put into force and effect the policy of Congress by this chapter intended, the commission (1) upon request of the President, or (2) upon resolution of either or both Houses of*

Congress, or (3) upon its own motion, or (4) when in the judgment of the commission there is good and sufficient reason therefor, upon application of any interested party, shall investigate the differences in the costs of production of any domestic article and of any like or similar foreign article. In the course of the investigation the commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings. The commission is authorized to adopt such reasonable procedure and rules and regulations as it deems necessary to execute its functions under this section. The commission shall report to the President the results of the investigation and its findings with respect to such differences in costs of production. If the commission finds it shown by the investigation that the duties expressly fixed by statute do not equalize the differences in the costs of production of the domestic article and the like or similar foreign article when produced in the principal competing country, the commission shall specify in its report such increases or decreases in rates of duty expressly fixed by statute (including any necessary change in classification) as it finds shown by the investigation to be necessary to equalize such differences. In no case shall the total increase or decrease of such rates of duty exceed 50 per centum of the rates expressly fixed by statute.

S·19. Power to release stockpile materials. An additional power that is vested in the Administrator is that of releasing stockpile materials. The authority of the President would be exercised by the Administrator in order to increase the available supply of materials and commodities and thereby to avoid shortages with potential price increases. Such action, of course, will be subject to our military defense needs as defined by the Secretary of War or the Secretary of the Navy.

The following statutes involve the release of stockpile materials:

(1) *Section 4 of the Act approved June 7, 1939,* which authorizes the President to permit, by order, the use from stockpiles of strategic and critical materials. These stockpiles are acquired by the Secretary of the Treasury upon direction of the Secretaries of War, Navy and Interior, acting through the Army and Navy Munitions Board.

(2) *Section 5 of the Reconstruction Finance Corporation Act* which authorizes the Reconstruction Finance Corporation to finance the acquisition of strategic or critical materials "as defined by the President."

(3) *Section 713(a)-7 of Title 15, U. S. C., Supp. x V,* which provides that reserve stocks of strategic and critical materials acquired under a treaty in exchange for surplus agricultural commodities "shall be made available or disposed of by the Commodity Credit Corporation or other governmental agency only upon order of the President in accordance with the terms of the applicable treaty."

LAW: Section 713(a)-7 of Title 15, U.S.C., Supp. x V., 53 Stat. 1407. *Notwithstanding any other provision of law, whenever the President, by and with the advice and consent of the Senate, has concluded a treaty involving the exchange of surplus agricultural commodities produced in the United States which are held under loans made or made available by the Commodity Credit Corporation for stocks of strategic and critical materials produced abroad, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to accept such strategic and critical materials in exchange for such surplus agricultural commodities; and for the purpose of such exchange the Secretary of War, the Secretary of the Navy, and the Secretary of the Interior acting jointly through the agency of the Army and Navy Munitions Board shall determine which materials are strategic and critical and the quantity and quality of such materials. In order to carry*

Copyright, October 17, 1941, The Research Institute of America, Inc.

out the provisions of this section, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed by the Secretary of Agriculture, to procure, convey, transport, handle, store, maintain, or rotate such surplus agricultural commodities, and such reserve stocks of strategic and critical materials, as may be necessary to accomplish the purposes of this section.

The Commodity Credit Corporation is authorized and directed to transfer to warehouses in or near cotton manufacturing centers in New England not to exceed three hundred thousand bales of cotton, to which it now has title or may hereafter acquire title, having regard for the grades and staples customarily required by manufacturers in that area: Provided, That all necessary costs in connection with such transfer will not result in additional net cost to the Corporation.

In determining specific cotton to be exchanged under this section, the determination shall be made by sampling and selection at the place where the cotton is stored on the date of ratification of a treaty providing for such exchange, and no cotton shall be exchanged under such treaty which, after such date, is transported to another place and there sampled and selected. Such reserve stocks of strategic and critical materials shall be stored on military or naval reservations or in other locations approved by the Secretary of War and the Secretary of the Navy. The Commodity Credit Corporation is authorized to transfer such reserve stocks of strategic and critical materials, upon such terms and conditions as the Secretary of Agriculture shall approve, to any other governmental agency. Such reserve stocks or strategic and critical materials shall be made available or disposed of by the Commodity Credit Corporation or other governmental agency only upon order of the President in accordance with the terms of the applicable treaty; when necessary to prevent deterioration the Commodity Credit Corporation or other governmental agency is authorized to replace those quantities of the reserve stocks of such strategic and critical materials subject to deterioration with equivalent quantities of the same materials. The funds now or hereafter made available to the Commodity Credit Corporation are hereby made available to carry out the purposes of this section. There is hereby authorized to be appropriated such additional sums as may be required to carry out the provisions of this section. All funds for carrying out the provisions of this section shall be available for allotment to bureaus and offices of the Department of Agriculture, and for transfer to such other agencies of the Federal Government as the secretary of Agriculture may request to cooperate or assist in carrying out the provisions of this section.

S·20. Price policy of the Administrator.

Observation: The creation of OPACS did not alter the basic policy in price controls. It is the purpose of the Administrator to apply a philosophy of flexible voluntary control where possible and of compulsory restraint only when absolutely necessary. Basically, the Administrator hopes to achieve stability in prices through maintaining a fair balance between supply and demand. As the Administrator sees it, the problem of preventing sharp price increases will be tackled from the supply standpoint. If output can be expanded to keep pace with rising demand, the price problem is solved. There are three possible methods of combating price increases: supply can be increased, demand can be curtailed, rigid controls can be applied. Rigid controls are apt to bog down the entire productive system if supply and demand are not kept in line. Henderson believes that cooperative efforts, education and persuasion should be sufficient until maximum output is attained. By that time, there is a good possibility that help will appear on the demand side of the picture as high taxes or government borrowing from low income groups begins to tap purchasing powers.

The price control technique employed thus far by Leon Henderson is best described as price management or price administration. That it has been success-

ful is attested by the accomplishment of keeping a price index starting at 78 at the outset of the emergency from rising any higher than 82 while the production index was rising from 110 to 145. In price administration, the attempt is to check all factors going into price, keeping them as stable as possible and leveling out humps as they appear. Essentially the job is that of keeping demand from running too far ahead of supply. In price control, the job is that of setting ceilings and checking to see that these are not violated. During the last war, drastic controls were made necessary because supplies fell so far behind demand. One lesson to be learned from Canadian war experiences is that the concentration of effort on expanded supply will avoid or at least postpone rigid controls.

S·21. Relation of OPACS to other defense controls. The order establishing the Office of Price Administration and Civilian Supply empowers it to "provide, through the determination of policies and the formulation of plans and programs, for the equitable distribution of the residual supply of such materials and commodities among competing civilian demands." Activities of this nature necessarily involve an overlapping of OPACS and the activities of the Priorities Division of the OPM and the Priority Committee of the Army and Navy Munitions Board. OPACS definitely has a voice in the allocation of rationed material to non-defense manufacturers on the basis of the language in the order.

In order to minimize the confusion occasioned by overlapping of responsibilities, OPACS and the Division of Purchases of the OPM have worked out the following formula:

The Division of Purchases will inform OPACS of the procurement plans and proposals of government purchasing agencies and departments coming within its scope which might influence price stability or affect the supply of goods for civilians. Recommendations which OPACS may make in regard to such plans will be made through the Division of Purchases. OPACS will keep the Division of Purchases informed of all price investigations and proposed regulations which might influence procurement for defense. The Division of Purchases will not clear proposed contracts in which the prices do not conform to regulations set by OPACS, unless OPACS approves such contracts. All facilities and information of each agency will be made available to the other, and staff members will consult freely on matters coming within the range of their activity. Each agency will appoint a liaison officer to maintain close contact and to facilitate consultation with the other agency.

Observation: OPACS and OPM are co-equal, independent arms of the Office of Emergency Management. Under the old set-up, the Price Stabilization Commissioner was merely a member of the National Defense Advisory Commission but had no definite status in the OPM. As Price Stabilization Commissioner, however, Mr. Henderson was a member of the advisory Priorities Board of the OPM. With the establishment of OPACS Mr. Henderson's office becomes much more important.

S·22. Text of Executive Order establishing OPACS. The following is the text of Executive Order No. 8734 establishing the Office of Price Administration and Civilian Supply, dated April 11, 1941:

Copyright, October 17, 1941, The Research Institute of America, Inc.

EXECUTIVE ORDER

ESTABLISHING THE OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY IN THE EXECUTIVE OFFICE OF THE PRESIDENT AND DEFINING ITS FUNCTIONS AND DUTIES

By virtue of the authority vested in me by the Constitution and the statutes, and in order to define further the functions and duties of the Office for Emergency Management with respect to the national emergency as declared by the President on September 8, 1939, for the purpose of avoiding profiteering and unwarranted price rises, and of facilitating an adequate supply and the equitable distribution of materials and commodities for civilian use, and finding that the stabilization of prices is in the interest of national defense and that this Order is necessary to increase the efficiency of the defense program, it is hereby ordered:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Price Administration and Civilian Supply, at the head of which shall be an Administrator appointed by the President. The Administrator shall receive compensation at such rate as the President shall determine and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies, regulations, and directions as the President may from time to time prescribe, and with such advice and assistance as may be necessary from the other departments and agencies of the Federal Government, and utilizing the services and facilities of such other departments and agencies to the fullest extent compatible with efficiency, the Administrator shall:

a. Take all lawful steps necessary or appropriate in order (1) to prevent price spiraling, rising costs of living, profiteering, and inflation resulting from market conditions caused by the diversion of large segments of the Nation's resources to the defense program, by interruptions to normal sources of supply, or by other influences growing out of the emergency; (2) to prevent speculative accumulation, withholding, and hoarding of materials and commodities; (3) to stimulate provision of the necessary supply of materials and commodities required for civilian use, in such manner as not to conflict with the requirements of the War, Navy and other departments and agencies of the Government, and of foreign governments, for materials, articles, and equipment needed for defense (such requirements are hereinafter referred to as "military defense needs"); and (4) after the satisfaction of military defense needs to provide, through the determination of policies and the formulation of plans and programs, for the equitable distribution of the residual supply of such materials and commodities among competing civilian demands.

b. Make studies of the Nation's civilian requirements for materials and commodities, the supply of goods and services, the status and trend of prices and factors thereof, and the impact of the defense program upon civilian living standards; exercise the powers of the President in requesting such studies pursuant to Section 336(a) of Title III of the Tariff Act of 1930 (Title 19, U.S.C., Sec. 1336(a)); and conduct such investigations, hold such hearings, and obtain such reports as may be necessary or desirable to carry out this Order.

c. Determine and publish, after proper investigation, such maximum prices, commissions, margins, fees, charges, or other elements of cost or price of materials or commodities, as the Administrator may from time to time deem fair and reasonable; and take all lawful and appropriate steps to facilitate their observance.

d. Advise and make recommendations to other departments and agencies, whenever the Administrator deems it appropriate, in respect to the purchase or acquisition of materials and commodities by the Government, the prices to be paid therefor, and in

respect to such of their other activities as may affect the price of materials and commodities.

e. Inform the Office of Production Management of the amount, character, and relative importance of materials and commodities needed for civilian use; and advise and consult with the Office of Production Management with reference to its procurement, production planning, priority, and other actions the effect of which may be to diminish the supply of materials and commodities available for civilian use.

f. Establish and maintain liaison with such departments and agencies of the Government and with such other public or private agencies and persons as the Administrator may deem necessary or desirable to carry out the provisions of this Order.

g. Formulate programs designed to assure adequate standards for, and the most effective use of, consumer goods; stimulate the utilization of substitutes by civilians for consumer goods and commodities of limited supply; develop programs with the object of stabilizing rents; and promote civilian activities which will contribute to the purposes of this Order.

h. Recommend to the President the exercise of the authority vested in him by the following named Acts, whenever, in the opinion of the Administrator, such action by the President will enable the Administrator to carry out and secure compliance with the provisions of Section 2a and 2c of this Order:

(1) Section 9 of the Selective Training and Service Act of 1940 (Public No. 783, 76th Congress).

(2) Section 120 of the National Defense Act (Title 50, U.S.C., Sec. 80).

(3) Section 1 (15) of Title 49, U.S.C.

(4) The Act of October 10, 1940 (Public No. 829, 76th Congress).

i. Perform the functions and exercise the authority vested in the President by the following named Acts, in so far as and only to the extent that the authority conferred by such Acts will, in the opinion of the Administrator, enable him to carry out and secure compliance with the provisions of Section 2a and 2c of this Order: Section 713(a)-7 of Title 15, U.S.C., Supp. V; Section 4 of the Act approved June 7, 1939 (Title 50, U.S.C., Supp. V., Sec. 98c); and Section 5 of the Reconstruction Finance Corporation Act, as amended by the Act approved June 25, 1940 (Public No. 664, 76th Congress): subject to the disapproval by the Secretary of War or the Secretary of the Navy of each proposed action thereunder.

j. Advise upon proposed or existing legislation, and recommend such additional legislation as may be necessary or desirable, relating to prices, rents, or the increase in supply and the equitable distribution of materials and commodities for civilian use.

k. Keep the President informed in respect to progress made in carrying out this Order; and perform such other related duties as the President may from time to time assign or delegate to him.

3. The Administrator may provide for the internal organization and management of the Office of Price Administration and Civilian Supply, and may appoint such advisory committees as he finds necessary to the performance of his duties and responsibilities. The Administrator shall obtain the President's approval for the establishment of the principal subdivisions of the Office and the appointment of the heads thereof.

4. There shall be in the Office of Price Administration and Civilian Supply a Price Administration Committee consisting of the Administrator as Chairman, the Secretary of the Treasury, the Secretary of Agriculture, the Federal Loan Administrator, the Chairman of the Tariff Commission, the Chairman of the Federal Trade Commission, the Director General and Associate Director General of the Office of Production Management, or such alternate as each may designate, and such other members as the President may subsequently appoint. The Committee shall from time to time, upon request by the Administrator, make findings and submit recommendations to the Administrator in respect to the establishment of

Copyright, October 17, 1941, The Research Institute of America, Inc.

maximum prices, commissions, margins, fees, charges, and other elements of cost or price of materials or commodities as provided under paragraph 2c above.

5. Within the limits of such funds as may be appropriated to the Office of Price Administration and Civilian Supply or as may be allocated to it by the President through the Bureau of the Budget, the Administrator may employ necessary personnel and make provision for necessary supplies, facilities, and services. However, the Office of Price Administration and Civilian Supply shall use such statistical, informational, fiscal, personnel, and other general business services and facilities as may be made available to it through the Office for Emergency Management or other agencies of the Government.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE
April 11, 1941

S·23. OPACS ratifies actions of Price Stabilization Division. The first action taken by Leon Henderson, as Administrator of OPACS, was to ratify the decisions, price schedules and other orders adopted by the Price Stabilization Division of the National Defense Advisory Commission, its predecessor. He did so in a ruling issued on April 16, 1941, which read as follows:

"All price schedules, instructions, announcements, forms and notices heretofore issued, promulgated or adopted, and all committees formed, by the Advisors on Price Stabilization and Consumer Protection, members of the Advisory Commission to the Council of National Defense, or by the Price Stabilization and Consumer Divisions of the Advisory Commission to the Council of National Defense, are hereby ratified, adopted and continued in effect, until modified, terminated or superseded, as price schedules, instructions, announcements, forms, notices and committees, of the Office of Price Administration and Civilian Supply and the Administrator thereof."

S·24. OPACS uses other government agencies. OPACS is not content with using its own instruments. It is determined to utilize other government agencies wherever possible. For example, in April, 1941, it submitted to the Interstate Commerce Commission a protest against the increase in rates proposed by steamship companies for transporting lumber. This is believed to be the first instance in which one government agency has appeared before another government agency to oppose an action on the ground that it would be harmful to the defense program.

S·25. OPACS utilizes research facilities. A central Bureau of Research and Statistics was organized in OPM under the direction of Stacy May as a clearing house for information required by the various divisions of the OPM, particularly in respect to information developed from other government agencies. Much of this information deals with the determination of materials and facilities required by the armed forces and the nature of the resources of the nation available to fill both military and civilian requirements.

Analysis of both the materials and resources have been coupled with consideration of measures for control and price stabilization. Numerous proposals for price regulation are being studied with great care. The Division is giving

special consideration to the application of priorities from the viewpoint of their impact on prices. Surveys are also being made by this Division of the economic organization and controls within the belligerent countries.

Standards are being formulated to guide procurement agencies in connection with recent legislation authorizing negotiated contracts in lieu of competitive bidding.

The domestic price structure is under constant surveillance. When price increases appear unjustified conferences have been held and will continue to be arranged. Voluntary agreement is sought in this connection, and thus far business has evidenced its desire to cooperate.

S·26. OPA succeeds OPACS. In connection with the establishment of the Supply Priorities and Allocations Board, it was determined that the function of price fixing be placed in the Office of Price Administration. The name of the existing Office of Price Administration and Civilian Supply was changed to the Office of Price Administration. The personnel, records, etc. of the Office of Price Administration relating to civilian allocation were transferred to the Office of Production Management to be located in the Division of Civilian Supply in the Office of Production Management. In this way, the general policy governing civilian supply allocation was placed in SPAB and the function of price administration was left in the old office of OPACS, with Leon Henderson as Administrator of OPA. Mr. Henderson was also designated as the head of the Division of Civilian Supply of OPM.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Price Control Methods

S·35. Policing of individual commodities. One of the basic principles in the approach used by the Office of Price Administration and Civilian Supply is that price control can be most effective on the basis of surveillance of individual commodities. As a result, OPACS has usually observed the following steps in policing prices:

(1) Announcement that it is studying a particular commodity.

(2) Issuance of a request that prices be stabilized.

(3) Issuance of a warning that a price ceiling will be imposed.

(4) Imposition of a price ceiling by means of a price schedule.

The issuance of a price schedule is usually preceded by a period in which various official agencies inform those circles likely to be affected by the establishment of a price ceiling that a situation exists demanding a limitation of price increases. Sometimes such warnings are made without the intention of issuing a price schedule. In such cases, it is hoped that the warning will deter producers, wholesalers and retailers from raising their prices above the limitation considered reasonable within the defense economy. Such elastic and informal voluntary control is preferred to a rigid price schedule. OPA officials have issued warnings either through official statements made in the course of conferences between OPA officials and representatives of the pertinent industry or through press releases.

Certain measures, such as the creation of stockpiles and the purchase and sale of stocks held by RFC corporations, may also be either preliminary steps to a price schedule or may be intended to avoid the imposition of a price schedule.

S·36. Devices used by OPA as price control measures. The following is a list of weapons which OPA can bring to bear, in addition to the establishment of price schedules, on situations which threaten price dislocations:

(1) Publicity for unwarranted price increases.

(2) Threat of withholding freight car space, and even commandeering and government operation if prices are not held in check.

(3) Use of substitute materials, e.g., corrugated paper boxes for lumber packings. This is one of the techniques which have a double purpose. The members of an industry are reluctant to see business diverted to another industry and will therefore think twice about price increases which might result in such a diversion. Secondly, use of a substitute material helps to absorb an existing demand.

(4) Round table agreements to hold prices in line.

(5) Negotiating contracts at lower than bid prices. Power to place compulsory orders at a price fixed by the government is in the background here.

(6) Accumulation of government-owned stockpiles through RFC and other agencies and either threatening to release materials in these stockpiles or actually throwing them into the market to combat shortages.

(7) Slack season buying to stabilize operations and curtail costs.

(8) Removal of restrictions on farm production. This technique may be used to hold food prices down.

(9) Compulsory farming out of defense work to utilize idle facilities, boost output and avoid shortages.

(10) Suspension of trading in futures on commodity exchanges and raising margins to prevent speculation.

(11) Threatened or actual antitrust prosecution.

(12) Giving cargo priority to imported commodities which are rising in price because a shipping bottleneck is diminishing the supply.

(13) Recommendng tariff adjustments.

(14) Recommending checks on installment buyers to reduce demand.

(15) Fighting cost increases. OPA is empowered to hold hearings on cost. Thus, Administrator Henderson has succeeded in getting charter rates lowered through Maritime Commission cooperation.

S·37. Round table agreements. Price control by round table agreements is one of the techniques of checking run-away price possibilities to come into use. Voluntary agreements entered into between producers, and maintenance of an adequate supply of sensitive commodities will be used to control upward price movements. Export control directed at certain strategic and essential materials, *e.g.*, mercury, is another important price control move. When these fail, the more drastic controls contemplated by the Industrial Mobilization Plan will be the next resort. It is to be noted that even in an economy as fully geared for war as that of Canada, the maintenance of an adequate supply of items which appear likely to experience an upward price movement has proven adequate to keep prices in line. Thus, until the upward pressure on prices becomes more severe, price control efforts will probably be confined to this three-point program:

1. Voluntary agreement.
2. Export control.
3. Acquisition of stocks of sensitive commodities

observation: The foregoing three-point program, while not making up a formal price control program such as that contemplated by the Industrial Mobilization Plan, is more definite and formal than, and is to be distinguished from, the very loose price control moves which have been made up to this point. Among these are anti-profiteering publicity, and gestures by the Antitrust Division of the Department of Justice. The reduction of import quotas, which halted a rising price movement in sugar last fall, was a step in the direction of maintaining adequate supply.

observation: That the national defense program will not serve as an excuse for price advances was indicated in statements made on September 9, 1940 by Leon Henderson, then in charge of the Price Stabilization Division of the National Defense Advisory Commission. Mr. Henderson's statements were directed primarily at the lumber industry, but his views are considered equally applicable

Copyright, October 17, 1941, The Research Institute of America, Inc.

to all industries playing a prominent part in construction and other defense work. Mr. Henderson's statement follows:

"The defense statement does not justify any increase in lumber prices, and recent advances have been due to unfounded rumors of actual defense needs in the next twelve months. The fact that several contracts for cantonments were recently awarded by the War Department has given rise to rumors of defense requirements far beyond the government's actual needs. These requirements are well within the bounds of the normal capacity of the industry."

S·38. Publicity as a price control.

Illustration: An illustration of the manner in which the price control authorities check what they consider to be unwarranted price increases by publicity, is furnished by the attack against unfavorable price situations in the copper, zinc and lead industries by the NDAC. It stated flatly that there was "no justification for the recent unfavorable price situation in the copper, zinc and lead industries" in a release issued by the Defense Commission on September 27, 1940. Though going into little detail, Commissioner Leon Henderson stated that the profit situation in the industry was good, stocks on hand ample, and smelting facilities sufficient. An attempt of the manufacturers using these metals to cover all their long-term requirements at current prices was one of the major reasons, according to Commissioner Henderson, for the price flurries.

Mr. Henderson requested a conference of the representatives of producers and consumers be held and warned that if the artificial price rise was not stemmed as a result of this conference, he should make suggestions to the President on steps to be taken, under existing laws, to check this tendency.

Observation: Such statements as these are ordinarily sufficient to check price situations considered unhealthy price authorities. It should be noted that cognizance was taken of the fact that the increase was apparently due to an artificially created demand which affected price.

Recommendation: Any attempt to jack up market prices through manipulating a temporary heavy influx of new orders or by attempting to create a psychological fear of shortage will be spotted and attacked immediately through the type of publicity used in the copper, lead and zinc industry situation.

S·39. The commodity inventory problem. It is apparent that with the terrific expansion in industrial activity due to defense, a seller's market will exist. This does not mean that prices will skyrocket to impossible heights. It does mean that there will be a rising price tendency, although there will probably be no uniform increases in commodity prices. The machinery for price control which the government now has available and which has been outlined in preceding paragraphs will be used when necessary. As in the case of zinc and copper prices, publicity will be given to unwarranted price increases.

Recommendation: Your buying policy today can be one of greater certainty than it has been for a number of years. You should purchase the basic commodities which you need to operate your business for a reasonable period, but it is unwise

and contrary to good business operation for you to buy more than you will need in the hope of making a profit on this commodity speculation rather than on the production of finished articles which you manufacture. *Leave the gambling in commodities to the commodity speculator* and do not build up huge inventories because you fear a drastic price inflation.

observation: In the long run, speculation by manufacturers in the commodities which they need to produce their finished articles would mean inevitably a general trend or pattern toward such speculation on the part of all business generally. An inflationary movement of price levels would be started by this process and would inevitably result in kicking your own expenses upward, necessitating a cut in production, and sabotaging completely the defense program.

observation: This does not mean that where price levels are now at an abnormal low, price rises in such cases will be immediately jumped upon by the price authorities. It is only where OPA feels that such rises are unjustified that it will step in with the weapon of publicizing the increases and letting public opinion take its course. Compulsory price controls appear to be some distance away so long as business is vigilant in checking commodity speculation among the family of industries. Voluntary controls appear sufficient, but it must be remembered that with many billions being poured into defense purchases, it is necessary to check constantly against unwarranted price increases. You may be sure that unwarranted price rises will receive prompt attention and have the glare of publicity turned on them.

S·40. Study of commodity margins. The effort to introduce price stability for the various commodities necessarily involves the counteracting of speculative influences which may effect price rises. Consequently, OPA has been enlisting the cooperation of commodity exchanges. It has brought about increases in margin requirements in relation to commodity futures and even suspension of all trading in zinc futures in order to cut down excessive speculative activity. Among matters which it has been raising in the course of conferences with the Boards of Governors of various exchanges is the initiation of steps to discourage solicitation of speculative accounts. In some cases, it has asked the exchanges to shorten trading hours and to review all circulars, general market letters, telegrams and charts with a view to preventing speculative rises.

S·41. Pricing practices studied. The practices indulged in by business men in establishing their prices are further factors which affect ultimate price. In a period when efforts are being made to keep prices in line, defense agencies are concerned with the observance of pricing practices which will not tend to drive price levels out of bounds. Consequently, OPA and its Consumer Division are engaged, particularly in the case of retail business, in attempting to establish principles of pricing practice which will not cause dislocation in the price structure.

S·42. Control of rent. In order to prevent undue rent increases, the Office of Price Administration has sponsored the organization of Fair Rent Committees in local communities. Since July 23, 1941, when Mr. Henderson announced that Fair Rent Committees had been organized in 21 municipalities in 10 States, 35

Copyright, October 17, 1941, The Research Institute of America, Inc.

additional committees have been formed. This number is increasing daily as public sentiment against rent gouging in defense areas increases. A list of cities and communities in which committees have been formed follows:

Alabama—Sylacauge, Talladega, Mobile
California—San Diego, Vallejo
Connecticut—Bridgeport, Bristol, Groton, Hartford, New Haven, New London, Waterbury
Florida—Jacksonville, Tampa, West Palm Beach
Georgia—Columbus
Illinois—Joliet, Wilmington
Indiana—Gary, Jeffersonville, South Bend
Iowa—Burlington
Kansas—Wichita
Kentucky—Louisville
Louisiana—Alexandria
Maine—Bath
Maryland—Baltimore
Michigan—Detroit, Pontiac
Mississippi—Biloxi, Jackson County, Hattiesburg
New York—Massena, Schenectady
North Carolina—Fayetteville, Wilmington
Ohio—Ravenna, Portage County, Warren, Canton, Massillon, Akron
Pennsylvania—Allentown, Chester, Pittsburgh, Philadelphia
Texas—Abilene, Brownwood, Corpus Christi, Mineral Wells, Weatherford, Texas and Parker County
Virginia—Hampton, Newport News, Norfolk, Portsmouth and Norfolk County, Virginia Beach
West Virginia—Morgantown

Retail Prices

S·65. Control of consumer prices. The Consumer Division of the Office of Price Administration and Civilian Supply, headed by Miss Harriet Elliott, was given charge of the aspects of the broadened defense program insofar as consumers are affected and was given the duty of making recommendations for consumer protection. The Consumer Division is required to know the needs of consumers and insure adequate supplies to them to fit these needs at an adequate price.

Observation: The method by which the Consumer Division keeps check of consumer needs and price increases in those fields is through the operation of an Economic Section. This Section is engaged in studies of the problems which affect the supply of goods to consumers, consumer requirements, commodity inventories, industrial locations, raw material prices and similar subjects.

S·66. Problems in consumer prices. Roughly, one of the problems with which OPA is coping in price control matters is to prevent a tremendous price increase in consumer goods due to the huge government purchasing under the defense program. OPA as an agency of the government is naturally interested in keeping the prices of commodities which the government purchases at as low or fair a level as possible. It wants no profiteering on government contracts or government purchases. But it is better able to take care of this situation than of the situation where consumer prices are affected by government purchases. It can commandeer factories which control industrial output if the manufacturers refuse to produce under government contracts at fair price levels. Where a large order of certain materials for defense creates a shortage or a fear of shortage of that same material for ordinary consumer purchasing, it is extremely difficult for the government to check unwarranted price increases. This, then, is the problem of the Consumer Division.

The speed with which the defense money is being allocated to industry naturally stiffens the market as far as price is concerned. The function of the Consumer Division is to see that the direct and indirect effects of defense business do not cause the day-to-day necessities of the civilian population to jump to price levels out of reach of the average wage earner. Heavy buying by defense purchasing agencies can easily throw all prices out of line unless cooperative efforts are made to check this tendency. At the present time retail groups are policing their own consumer prices in an effective manner and are receiving vigorous support from the Consumer Division. Cooperation between all consumer-selling groups and the Consumer Division is evidenced by the appointment of nine wholesalers to confer with government economists on means of prohibiting hoarding and speculation in goods at the wholesale stage of the marketing process.

Observation: There are two important publications which the Consumer Division has found to be excellent media for checking on incipient price increases. The Cost of Living Index of the Bureau of Labor Statistics contains many of the same items as are on the Army Quartermaster's buying list. Checking one of these against the other is an excellent method of rooting out potential price rises.

Illustration: For example, on the Army Quartermaster's buying list appears the fact that woolen goods are purchased by the Army. If the Army purchased a large consignment of woolen goods which made for a scarcity or fear of scarcity of that type of goods for general consumer purposes, the Consumer Division would immediately check the current prices which go into the make-up of the Cost of Living Index. If these prices showed an increase, the Consumer Division and OPA would undoubtedly call all major producers into a conference and thrash out whether or not there was an actual scarcity or whether some few manufacturers had used the excuse of government purchasing for unwarranted price increases. If the latter were the case, it would be suggested that it might be better to let prices take a normal course rise than be raised artificially.

S·67. Retailers' program to check price rises. The Department of Justice approved the four-point program of the Retailers' Advisory Committee for price reporting at the pre-retail level to curb unjustified price increases on consumers' goods. Representing more than fifty national retail trade associations, the committee was chosen at the meeting called in August, 1940, by Miss Harriet Elliott, head of the Consumer Division.

Thurman Arnold, Assistant Attorney General, in a communication to the committee declared the Justice Department saw no objection to the plan from the antitrust law standpoint and suggested that the results of all invesigations made under it be forwarded to the Department.

The text of Mr. Arnold's communication follows:

"I have your letter of October 7, 1940, submitting the plan of the Retailers' Advisory Committee to assist in preventing unwarranted price increases on consumers' goods.

"The plan does not appear to present any problem under the antitrust laws. Accordingly, this Department sees no objection to giving the plan a trial.

"I note that under item 2(g), situations will be referred to the Department of Justice which cannot be disposed otherwise. I would suggest that the Department also be furnished with the results of all investigations which may be undertaken under the plan."

The four phases of the plan, as given out by the committee, are:

(1) To obtain and distribute, through trade organizations, information about prices at the pre-retail level and to refer seemingly unjustified increases to the associations involved and to collect and coordinate the results of such investigations.

(2) To watch for and discourage the use of "scare" advertising based on "buy now" arguments and to discourage both retailers and consumers about speculative buying and to distribute to the press information about buyers who, in the past, suffered losses in commodity speculation.

(3) To publicize examples of purchases made by retailers or by government agencies for defense purposes in such a way that production facilities and the retail market suffer no disturbances.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(4) To urge retailers to give full information to the public about changes in the quality of goods.

S·68. Policy for calculating prices. Miss Harriet Elliott has proposed a retail price policy, which if carried out, she believes, would make it unnecessary to establish any system of licensing control involving a fixing of profit margins over retail and wholesale businesses. Miss Elliott made the following recommendations:

(a) Anticipated cost increases *which have not yet materialized* should not be made the basis for price advances;

(b) When prices of new goods advance, inventory should be averaged out—not marked up to the new level;

(c) Mark-ups should not be fixed on the basis of percentage of cost unless it can be shown that costs have advanced by an equivalent amount.

Illustration: This last is the most significant. An item costs $1 a unit. Traditional mark-up is 50%, making the retail sales price $1.50. If the cost of this item should advance to $1.50, percentage mark-up system would fix the retail price at $2.25. Miss Elliott feels that the retail price should be held at $2, unless it can be shown that the $.50 mark-up is no longer sufficient to cover overhead and operating cost.

S·69. "Price prevailing" system denounced. Miss Harriet Elliott has condemned the system of selling consumer goods on a "price prevailing" basis. "The refusal of manufacturers to quote a specific price at the time of sale, and their insistence that goods be sold on the basis of prices prevailing at the time of shipment, is harmful in three important respects," she said.

(1) "The uncertainty concerning future prices has a disruptive effect on markets and may lead to the hoarding of supplies and speculative price increases.

(2) "On the manufacturing side, there is the danger of inefficiency in production resulting from the knowledge that cost increases can more easily be passed on, and the opportunity may be created to charge unjustified prices because of the difficulty of determining the general prevailing price.

(3) "There is a further tendency when goods are sold on a price prevailing basis to eliminate the bargaining which is necessary to the maintenance of fair prices. Buyers are forced to place orders and leave to the seller the final determination of the price. The dangers of such a procedure are obvious."

S·70. Recommendations of OPACS' Consumer Division on retail prices. N. H. Engle, Advisor on Distribution, Consumer Division, OPACS, made the following four recommendations to the National Retail Dry Goods Association on June 4, 1941:

"*Keep prices down.* Of all the specific recommendations I could make to retailers, that of price control is at the head of the list. . . . I do not know what steps may be taken should voluntary control of retail prices fail. The alternatives would seem to be the general freezing of prices as of a given date, or the establish-

ment of price ceilings for particular commodities, as the needs arise. Certainly, price inflation is the one evil of a defense-generated boom which you can be sure will be prevented.

"*Maintain quality.* This brings me to another specific recommendation. Not only is it essential to maintain reasonable prices, but it is equally important to maintain quality. Any hidden advances in prices brought about by an unnecessary reduction in quality, or any failure to indicate clearly to consumers the exact quality of the merchandise offered for sale, is contrary to the national interest at this time. Furthermore, it may be taken for granted that any price control program which may have to be initiated by the government will most certainly include some recognition of the quality problem.

"*Maintain supplies.* A third recommendation is the necessity of maintaining adequate supplies of those consumer goods which are available and to provide suitable substitutes for those which are scarce. It is, of course, your natural function as retailers to study the wants of consumers in your communities, and to forecast them as accurately as possible. This function will become increasingly complicated as we move into an 'all-out' defense effort. Increasing responsibilities will rest upon the shoulders of buyers to familiarize themselves with the sources of supply for the goods and substitutes required by their communities.

"*Avoid scare selling.* A final recommendation is one we have made repeatedly: avoid scare advertising. To that I should like to add, *avoid scare selling of all sorts.* The retailers of the country, in cooperation with the better business bureaus, and the Consumer Division of the National Defense Advisory Commission, have succeeded quite well in eliminating printed scare advertising. They have not succeeded, however, in getting the idea across to their clerks and sales people that scare selling is equally taboo. Efforts to encourage the consumer to buy more than he or she intended to on the grounds that scarcities are coming and prices are going to be higher must be stopped. It is part and parcel of the 'business as usual' philosophy which Donald Nelson has said repeatedly is out of the window for the duration. Not only does such selling contribute to unnecessary hoarding, but it has the same inflationary effect as though it were printed in the newspapers over the name of your store."

S·71. Powers of compulsion. When a price movement is discovered, there is not available to the OPM or to any other government agencies any specific price-control authority which gives the government agency direct compulsory power except as indicated in the possible punitive action of the Antitrust Division of the Department of Justice under the Sherman Act. However, there is a very definite power of compulsion inherent in the possibility of industrial commandeering. This has already been brought to bear in the case of the lumber industry. Confronted with a situation where some grades of lumber had risen in price by 52%, Administrator Leon Henderson warned the industry that if it did not reduce prices voluntarily so that the government could get the lumber it needs for military purposes, he would recommend a draft of the industry. He said: "We can get lumber. The government can get all it wants by having the Commander-in-Chief of the Army and Navy fix a price and forbidding buyers to pay more. And then

Copyright, October 17, 1941, The Research Institute of America, Inc.

if not enough comes out, we can use the Selective Service Act to draft lumber the same as we are drafting men. I am going to make that recommendation unless the situation improves. The situation cannot go on as it has."

By using the power given to the President under the Draft Act, the government can compel industry to provide materials "at a reasonable price as determined by the Secretary of War or the Secretary of the Navy, as the case may be" under penalty of having the industry taken over by the government and those responsible punished by fine or imprisonment. (See ¶ T·101)

S·72. Use of substitutes to offset price rises. One method of offsetting price rises is to use substitutes. The Army moved to restrain high lumber prices when the Quartermaster Corps changed the specifications for the packaging of clothing and other equipage now being bought for the Army. Corrugated cardboard and solid-fiber boxes are to be substituted for the wooden containers previously used on Army shipments of shirts, work clothing, socks, underwear, mosquito bars, field caps and gloves. It was forecast that cash savings, as a result of this decision, would amount to 8¢ on each blanket purchase and $57,750 on a shipment of a million Army overcoats. Studies made by the Army showed that only 22% of the potential corrugated and fiber box manufacturing capacity of the country is being used today, indicating that ample supplies of the containers could be obtained without delay.

observation: The resort to these methods to bring down lumber prices is an attempt to discipline the lumber industry without recourse to the serious measure of commandeering threatened by Leon Henderson. (See ¶ S·71) It is an application of an important principle involved in avoiding the effects of price increases, namely, the shift to substitutes when prices on commodities begin to mount too high.

recommendation: Businessmen will do well to take a leaf out of the government's book in this respect. Whenever there is danger of any material moving out of reach—due either to price increases or actual shortage—it is wise to seek substitutes. A campaign of exploration for substitutes well in advance of the appearance of any such condition is worthwhile. Businessmen cannot begin at too early a date to explore all the possibilities of finding substitutes for the commodities they now use. When the situation actually appears, it may then be too late to seek escape through other avenues. Advance planning is one of the best safeguards.

S·73. Business practices to be policed in relation to prices.

observation: A further phase of the Administrator's policy is the policing of business practices which relate to prices. To protect consumers against price increases by indirection, OPA is drawn more and more into a supervision of construction and quality as well as price tags. This was true in the preliminary announcement of a schedule establishing price ceilings for tires and tubes at both wholesale and retail levels. (See ¶ Vm·1,150) Tire manufacturers were not to be permitted to make any changes in construction quality or lines of tires and tubes except after conference with OPA.

In addition, indirect price increase can be accomplished by methods other than quality reduction. Trade-in allowances can be juggled. Service can be reduced. Sellers can compel customers to buy services or other items in order to get the price-fixed article at OPA's price tag. OPA fully recognizes that it cannot police prices without policing the buying-selling practices. When bakers, for example, were asked (see ¶ Ve·150) to check advancing bread prices, OPA asked that there be no change in (1) volume discounts; (2) cash discounts; (3) credit practices; (4) stale bread allowances; (5) other practices.

S·74. Policing changes in quality. Methods of advising the American consumer of quality changes in consumer goods resulting from substitutions, cost increases and manufacturing simplification programs during the defense emergency are being explored by a newly formed advisory panel on Consumer Goods Distribution and Use, set up to work with the Standards Section of the Consumer Division of the Office of Price Administration according to a statement issued by OPA on September 17, 1941. This panel, consisting of representatives of manufacturers, retailers, women's organizations and consumer cooperatives, will supplement two other standards panels previously announced by Miss Harriet Elliott, Associate Administrator in charge of the Consumer Division of OPA. These groups will advise the Consumer Division on the use of standards, grades and quality-identifying labels as measures for consumer protection and conservation of industrial resources during the emergency. The distribution and use panel will concentrate on ways of providing consumers with more adequate advice on the goods they buy. With more detailed buying information, the Consumer Division believes, household buyers will be able to contribute to the defense program by purchasing goods which will give maximum service. It is pointed out that this will prevent the waste of consumer dollars and manufacturing resources vital to defense. The panel will seek to bring together the experience of the organizations which have been helping consumers get better buying information, such as the National Consumer-Retailer Council, large department stores, mail order houses and various manufacturers. It will undertake specific studies, like investigation of simplification proposals for household refrigerators, washing machines and electric hand irons.

The Governmental and Institutional Purchasing Agents' Panel will continue its study of the use of specifications and testing in institutional purchasing to determine how standards can be best used during the emergency to save strategic materials and to prevent waste.

S·75. Warning against "pyramiding" of excise tax. The Administrator of the Office of Price Administration made the following statement regarding excise taxes on October 1, 1941:

"The increased prices paid by consumers as the result of the new levies should in no case reflect more than the actual dollar amount of the manufacturers' total excise tax. This policy should be applied to cases where excise taxes are continued and increased as well as where taxes are now being levied for the first time.

"Pyramiding of these taxes must be carefully guarded against. Where a manufacturer sells an article for $100 and passes on the 10% excise tax it results in a price of $110 to the

Copyright, November 14, 1941, The Research Institute of America, Inc.

wholesaler. Should the latter compute his regular mark-up price on the $110 price, instead of on the $100 base, the price to the retailer will be raised by more than the amount of the tax. If the retailer in turn calculates his mark-up, on this total, the final cost of the article to the ultimate consumer will be raised considerably in excess of the actual excise tax.

"Properly figured, the tax should be left out of all mark-up calculations. The threat to the general price structure if 'Pyramiding' of the new tax is resorted to by distributors of merchandise is real and dangerous. I am sure that American business men will take steps to avert this threat."

Analysis of the Emergency Price Control Act of 1942

S·100. Why price control. To understand price control one must keep in mind that price constitutes one of the pillars on which the business structure stands. Price fluctuations cause a rise or fall in the waves that flow through all the channels of your business life. As a general rule, a period of rising prices has meant an expansion of production as business responds to the appeal of higher profit. On the other hand, falling prices have always tended to discourage expansion and increased production.

In a period of war, however, when the government's first concern is an ever-increasing production of armament, new problems enter into the price picture. Shortages begin to appear in areas where plenty formerly existed. War industries begin to drain off the stream of available supplies, leaving civilian industry high and dry. The law of supply and demand, if left to operate freely, begins to push prices up as the demand outstrips supply. Inflation may threaten. There has been much talk about the danger of an inflation in this country. Despite every indication that such a danger will be avoided, various devices, including price and credit control and taxes, are being applied to check any dangerous tendencies. True, prices have risen and are likely to continue to rise, but no danger of a runaway inflation like that which Germany experienced from 1919-23 exists in this country.

recommendation: Private individuals, as contrasted with business firms, are to be cautioned against maintaining a consistent policy of advance buying. It is more likely to bring loss than gain. Commodities bought in advance as a rule lose much more in value from being stored than would be represented by a price increase even of 10% or 20%. During the past few months waves of advance buying have rapidly led to recessions—temporary at least—such as were experienced in the fur trade and certain other luxury industries. Even without price measures, anticipatory buying may easily be followed by a considerable shrinking in the sales volume.

For business concerns, advance buying is a different proposition. In normal times, a hand-to-mouth buying policy was best in many business lines. Now the threatening shortages—due to priorities, rationing, transportation difficulties—make it advisable to carry sufficient stock of goods to assure operations without interruption. The impending difficulties of transportation are a major factor in this picture. On the other hand, be sure you do not cross the line between maintaining a sufficient inventory and the practice of hoarding which is condemned under the Emergency Price Control Act and the Draft Property Law.

To sum up, adjust your buying and selling to the expectation that prices will continue to rise gradually but that no runaway inflation will occur. In case of very rapid price advances on particular products, you may assume that the Price Administrator is going to take action and that the price level preceding such a price rise may be restored if no substantially higher production costs are involved.

Copyright, February 11, 1942, Research Institute.

S·101. Purposes of the Price Control Act. The Act sets forth definite objectives to be accomplished. Most important among them are:

(1) To stabilize prices and prevent unwarranted increases.

(2) To secure adequate production.

(3) To eliminate profiteering, hoarding and other disruptive practices.

(4) To protect persons with relatively fixed and limited incomes, consumers, wage earners, etc., from undue impairment of their standard of living.

(5) To prevent hardships resulting from abnormal price increases.

(6) To prevent a post-emergency collapse of values.

(7) To permit voluntary cooperation between the government and producers, processors and others to accomplish these purposes.

Observation: These objectives are important. The Price Administration is certain to cover large sectors because of the vast business area that is bound to be affected. Aside from the limitations which are specifically contained in the Act, the Administrator may only be required to prove that the particular measure falls within one or several of these objectives.

S·102. What the law covers. The area in which prices may be fixed is deliberately made very broad. The term "commodity" is defined by the Act to mean not only the tangible material itself but services rendered in connection with the processing, distribution, storage, installation, repair or negotiation of purchases or sales of commodities, or in connection with the operation of any service establishment for the servicing of a commodity. The Act also gives the Price Administrator the authority to establish a ceiling over rents in defense areas. In the case of agricultural products, certain minimum levels or "floors" are established below which no ceiling may be imposed. (See ¶ S·119). Certain very important elements are excluded from the jurisdiction of the Price Administrator: no ceiling may be set on wages, on rates of public utilities, common carriers and insurance, on interest or on rents on property outside of defense housing accommodations in defense areas. Where other agencies are in charge of prices, as in the case of public utilities, the Price Administrator will have no jurisdiction but will undoubtedly maintain close contact with the proper authorities. Similarly, there is no intention to interfere with such legislation as the Guffey Act, which sets minimum prices for coal. No regulation may be imposed on publishing as such, radio, motion pictures, advertising and professional services.

Observation: There is no distinction in the Act between commodities essential for war and civilian use, and other commodities. Almost certainly, however, those commodities most essential for war and for basic civilian needs will be watched more carefully and their prices fixed more rigorously than those of other commodities. Luxury goods may, in many instances, be permitted to rise, since such price rises will either discourage consumption or will produce additional profits which will find their way back to the government till.

S·103. Wages under price control. The Senate inserted into the Act a declaration that it shall be the policy of the departments and agencies of the government dealing with wages to work toward a stabilization of prices, fair and equitable wages and costs of production.

observation: This is merely a statement of policy and does not give the Price Administrator any authority to interfere with wage problems. The stated policy, however, may have a definite effect on the handling of wage disputes by other government authorities.

S·104. Requests temporarily freezing prevailing prices. All of the methods applied by OPA to control prices prior to the enactment of the law have now been legalized. As in the past, price freezing requests will continue to be a potent weapon in the hands of the Administrator to stop price rises temporarily until a complete study of a cost and price situation can be made. Under the terms of the Act, the Administrator may freeze prices either at the prevailing level or at the level prevailing within five days prior to the issuance. Such an order shall be effective for not more than 60 days, during which period it should be replaced with a permanent regulation.

recommendation: The 60-day period provided here serves two purposes. The Price Administrator is able to undertake all investigations necessary to decide on the most desirable form of control in the particular case. Secondly, business affected by the temporary freezing has an opportunity to make all representations necessary and to furnish exact information on cost and price conditions in the industry to the Price Administration. This is your chance to suggest all modifications, the necessity of which you are able to prove by factual data available to you or to other members of your industry.

S·105. OPA studies and investigations. The Administrator is empowered to make all studies and investigations necessary for his task. He may require the furnishing under oath or affirmation of any data which he considers necessary or proper, may serve subpoenas and may enforce the attendance and testimony of witnesses and the production of documents.

observation: Except for the immunity provisions of the Compulsory Testimony Act, the powers of the Administrator under this section are sweeping. Not even the privilege against self-incrimination will serve to excuse an individual from complying with a request from OPA. Seemingly the only restriction applies in those instances in which the "Administrator is satisfied that the production of particular documents would result in undue hardship for the person from whom such documents have been requested." Even here, judgment as to what constitutes undue hardship is placed with the Administrator. What influence this far-reaching provision will have on trade secrets, secret specifications and formulae of various companies is an open question. It still seems good business judgment to work toward a compromise with OPA in all instances where the disclosure of intimate production details might appear dangerous despite the obligation of OPA not to disclose confidential information. Such a compromise might be effected if it can be shown that the particular information is of no significance for the Price Administration as such, and its withholding would be of no consequence for the actual regulation.

S·106. Voluntary agreements. The Administrator is authorized to confer and to enter into voluntary agreements with producers, processors, manufacturers,

Copyright, February 11, 1942, Research Institute.

retailers, wholesalers and other groups, representatives and associations thereof. A copy of each such arrangement must be promptly furnished to the Attorney General.

recommendation: Even though the enforcement provisions of the Act do not contain any reference to voluntary agreements, it is clear that such agreements will be regarded by the Price Administration as on a par with formal price schedules. Voluntary agreements based on industry cooperation have proved considerably more advantageous to the businesses involved than formal price actions. It is therefore in your interest that this method be employed whenever possible and you can pave the way for it by working individually and through your associations for this sort of arrangement.

observation: The wording of the law does not limit the application of agreements to the fixing of maximum prices but extends it to "other regulations by order or otherwise." The Price Administrator is also empowered to negotiate not only with individual companies but also with associations and groups. This provision can be expected to be used by the Administration to achieve simplification and standardization as well as any other form of arrangement benefiting the national war effort. Arrangements approved and officially submitted by the Price Administration will not be subject to anti-trust legislation even though the original suggestion may have originated among business men.

recommendation: With war conditions imposing a heavy strain on many a business line, consider the desirability of improving your industry's position through voluntary agreements. Where such measures demonstrably would benefit the economy as a whole in the war effort or essential civilian demand, you may be able to avail yourself of the opportunities offered through this provision of the Price Control Law.

S·107. Formal price schedules. The fixing of maximum prices through formal order or regulation will still remain the big stick in the hands of the Price Administration. The Act requires that every permanent price regulation contain a statement of the considerations involved in its issuance and that the maximum prices established shall be generally fair and equitable in the Administrator's judgment.

observation: The provision requiring a statement of reasons for the issuance of a schedule does not apply to the temporary 60-day orders. For permanent price schedules, however, it seems as important a feature as any. Introductory paragraphs of the price schedules so far issued by OPA always outline the reasons for the regulation, and it is in those sections that cause for protest may frequently be sought.

illustration: If, for instance, a price schedule affecting your industry states that this action was prompted by rapid price increases which did not seem justified by increased production costs and, if you feel that this statement is based on erroneous information, you might try to seek relief. The approach to be taken would be to supply proof that cost items have risen and the extent to which they have advanced, or to show the decline in the rate of operations and to demon-

strate in concrete figures the effect this decline has on unit costs of production. Such proof will only be convincing, however, if it applies to the industry as a whole or to a majority of the companies engaged therein, and not just to an individual company.

recommendation: Court proceedings are always a costly and lengthy way of accomplishing things. The Price Administration, on the other hand, will also be inclined to prefer voluntary arrangements and modifications to those enforced by court order so that government and industry interests in this respect are parallel. In all instances where an order appears unjust and unfair, make a sincere effort to obtain relief from OPA first before jumping into court proceedings.

recommendation: The stipulation that maximum prices should be fair and equitable should not be misunderstood. Whether a particular price ceiling is fair can never be determined on the basis of the effect it has on one individual enterprise or section of an industry; over-all consideration of the effect of the ceiling on the industry as a whole will be the guide. For this reason it would seem futile to fight a bill merely on the grounds that it does not enable you as an individual to operate profitably. You may, however, be entitled to separate treatment, for instance by being granted exception from a particular provision of a schedule, if you can show good cause. Should your application for exemption be denied by OPA, you might appeal the case, basing it on your particular situation rather than by attempting to fight the regulation as a whole. The only possibility of contesting a schedule in its entirety appears to lie with a group representative of the industry as a whole.

S·108. October 1-15, 1941 as a base period. In establishing maximum prices the Administrator is expected, "so far as is practicable," to consider the prices prevailing between October 1–October 15, 1941. If there were no prevailing prices during that period, or the prevailing prices are not representative because of abnormal or seasonal market conditions or other reasons, then the nearest representative two-week period may be used.

observation: This provision, when read in conjunction with other parts of the Act, has little meaning in the long run. It does not apply where "abnormal market conditions" prevailed during that period. The Administrator is to make adjustments for such relevant factors as speculative fluctuations, general increases or decreases in production costs, distribution and transportation and profits earned by the sellers during and subsequent to the year ending October 1, 1941. For all practical purposes this means that the Price Administrator is in no way bound by October 1–October 15 prices and may fix the legal maximum at any other level. Of particular significance is the mention of past and current profits as it seems to indicate that price regulation may and will be used to cut income in those industries which had experienced large profits in the past.

recommendation: In contesting a price schedule, any argument based on the fact that it does not permit the old rate of return in a given industry seems doomed to failure. The wire and cable schedule, for instance, permits adjustments for lead content to an extent not sufficient to cover actual increases in the cost of this

Copyright, February 11, 1942, Research Institute.

component part. In the explanation, the Administrator stated in this case that he expected the industry to be able to absorb part of this price advance. It appears that only proof that the maximum prices are confiscatory in character or do not leave any profit margin for the bulk of the industry would carry any hope of success.

S·109. Keep these cost data.

recommendation: Since October 1–October 15, 1941 is taken as a possible starting point for calculations as to price ceilings, it would be well for you to maintain records of the conditions prevailing during that period. Keep the following information available:

(1) Price levels prevailing during that period.

(2) Any increases in your cost of production or transportation since that date.

(3) Your total sales or production volume in 1940 and 1941 up to that date. (This is important for the measurement of your overhead costs which may vary inversely with your sales volume.)

(4) The composition of your main cost elements at that date, including wages and salaries, transportation costs, insurance rates, losses caused by delay in deliveries, increased risks.

(5) The assortment of commodities processed or handled by you. (Distinguish between your "price leaders" and your "money-makers.")

(6) Allowances received by and granted to you.

(7) Net profit realized in the preceding year broken down into the net profit for the main groups of commodities as well as for the business as a whole. And do not overlook evidence as to any abnormalities characteristic of that price level due to speculation.

S·110. Which prices will be fixed. The Emergency Price Control Act embodies the so-called principle of selective or piecemeal price fixing so that the price or prices of one commodity or commodity group will be fixed at one time, after consideration has been given to cost and price conditions prevailing in the industry. During the infancy of price control in 1941 the "basic commodity" idea was stressed, *i.e.*, the idea that by fixing the prices of certain basic commodities all other prices could be kept in line all the way down to the ultimate consumer. This theory had to be abandoned, since it was found that despite fixed prices on raw materials, certain processed or manufactured goods which became scarce advanced rapidly in price. When the Price Control Act became law there were price ceilings affecting all stages of production and distribution, including the retail end.

This practice discloses that there is no definite rule as to where price control will strike. Generally, it can be said that wherever considerable price increases occur or threaten to occur, the Price Administrator will take steps to prevent prices from rising unless cost increases justify rising price levels. In individual instances, however, the Price Administrator may even encourage price rises as was shown in the example of the butanol and acetone schedules. In these cases higher prices are used to encourage high-cost production so as to increase the total output of materials that are vitally needed for war or essential civilian uses

recommendation: Consider your operating conditions in relation to war and essential civilian needs. If you feel that your output could be substantially increased if you were permitted to charge higher prices, and your production is essential, you might be able to obtain a modification or exception from OPA permitting you to assume such higher costs and to pass them on in the price of your product. This will be true, however, only if you can actually bring proof that an increase in your production would benefit either the national war effort or essential civilian users and if there is no possibility to obtain such higher output at regular prices.

S·111. Ceilings on margins in distribution trades. In determining the price for an individual commodity the Act specifically mentions the cost of production and transportation but not the cost of distribution, which in this country is generally one-third to one-half the consumer's dollar. Distribution, is not left unconsidered and untouched. But here, instead of fixing the price, the margin allowable will, in many instances, be fixed. Commissions and brokerage fees can be "ceiled" but not wages and salaries. Since the Act enables the fixing of distribution margins as well as so-called mill margins—margins of gross profit—it seems to be possible that only a part of a price may be "ceiled" while other price elements are free to move. Thus, while farm prices may change, the mill margins for grinding, spinning or other processing may be fixed.

S·112. How margins may be fixed. The fixing of distribution margins will be extremely difficult because wages make up more than 50% of all distribution costs and under the Act wages remain untouched. The determination of mill margins, however, will not prove as ticklish, and it can be expected that mill margins will be fixed in industries where the raw material or service prices cannot be "ceiled." These industries include (a) processing of farm products; (b) processing imported commodities, the prices of which are dependent upon foreign markets and widely varying transportation rates; (c) service establishments.

But mill margins, too, involve differences between businesses within industry that make price-fixing politically embarrassing as well as technically difficult. Differences of wages, power costs, rents and taxation make for wide variations within an industry. In some business activities, like flour milling, cotton spinning, and others, the mill margin is an established standard. But in the great bulk of industries, it is not. For this reason any wild use of this method is not to be contemplated within the reasonably near future.

Practical application of mill margin fixing can be found in the textile industry where the price of cotton yarn and cotton goods has been keyed to the price of raw "spot" cotton on the date of the contract. Thus, the price of processed cotton is controlled but not fixed; it is permitted to fluctuate with changes in the price of cotton itself.

observation: This method might conceivably be used with regard to other commodities processed or manufactured from agricultural products which have not yet reached a price level which will permit the establishment of ceilings. Whenever an agricultural commodity is the main component part of a certain product and the agricultural material itself has not or cannot be price-ceiled, this method will be an effective means to control prices.

Copyright, February 11, 1942, Research Institute.

S·113. Classifications and differentiations in a price schedule. The Act specifically states that orders and regulations may contain classifications and differentiations, adjustments and reasonable exceptions considered necessary or proper by the Administrator.

observation: This provision guarantees the continuation of the present practice of OPA to provide differentials between various regions, different users or sellers, and so on. The Price Administration, of course, is interested in having as uniform a price ceiling as possible but at the same time it has been proven that the Administration is willing to make all adjustments that are necessary to facilitate production if the necessity for such adjustments was effectively demonstrated to the officials. A good example is the iron and steel scrap schedule, when several amendments were made to facilitate the buying from remote scrap centers or by remote scrap consumers.

recommendation: The best time to obtain the necessary modifications is before a formal schedule is issued. Whenever you feel that conditions in your region or in your particular plant are so different as to require special treatment, have all pertinent data presented to the appropriate section of OPA. If you failed to do so before the price schedule is issued, you may still be able to obtain a change by presenting the facts afterwards with a view toward a possible amendment of the schedule or a special exception in your case.

S·114. Business practices affecting prices. The Price Control Act does not limit itself to the policing of prices alone, but aims at regulating business practices which have an intimate influence on prices. When he finds it necessary, the Price Administrator may regulate or prohibit:

(1) Speculative or manipulative practices, including practices relating to form or quality.

(2) Inventory practices, hoarding.

(3) Other practices likely to affect prices.

observation: OPA and the Office of Civilian Supplies are deeply concerned with the preservation of the quality of the goods offered for sale and are determined to prevent hidden price rises by selling lower quality goods at the ceiling price meant for the original high quality. A number of price schedules specifically prohibit changes in specifications without the express approval of OPA, such as the rug and carpet, stove and other schedules. This attitude does not mean, however, that no changes whatsoever will be permitted. In the schedules previously mentioned, changes not affecting the quality of the goods are specifically permitted if they are made for certain stated reasons: if the material previously used is unavailable or prohibitive in cost, restricted by allocation order, or if the change is desirable because it would result in conservation of strategic material.

observation: The principle of prohibitive costs, introduced for the first time in the schedules, may become of increasing importance whenever the pressure to turn to substitutes becomes great. To prove that the cost of the particular item is prohibitive, you will most likely not only have to bring evidence that those costs

have risen considerably but also that the margin on which you are operating makes it impossible for you to absorb this increase.

observation: It is not very simple to decide what actually constitute determining factors in the quality of a commodity and what are "frills" or extraneous and advertising extras. The bakery industry provides a good example where, with the express approval and encouragement of OPA, costs are being reduced by cutting out such items as fancy wrapping materials. In the field of consumer goods an advisory panel on Consumers Goods, consisting of representatives of manufacturers, retailers, women's organizations and consumers' cooperatives, cooperates with two other existing bodies in supervising quality and advising the consumer.

recommendation: With shortages growing more acute and campaigns to save and economize on the use of scarce material being strongly promoted, there is a possibility that elimination of extras such as wrapping material, resulting in a cut in production costs, will not be objectionable as long as it does not materially alter the quality of the products sold.

S·115. Advertising and other normal practices to be preserved. The Act specifically states that the powers granted shall not be used to compel changes in "business practices, cost practices, or methods, or means, or aids to distribution established in any industry except to prevent circumventions or evasion." In the Committee Reports released with the Act, it was explained that this provision was inserted primarily for the purpose of safeguarding advertising.

observation: Even though advertising is the first item to be preserved under this provision, the wording is so broad as to include a great deal of other practices as well. On the other hand, the Administrator is empowered to prevent evasive practices (see ¶ S·113). The answer as to what practices OPA will be able to abolish and what practices will stay can be found in this rule: accepted business or cost practices which have been usual in the trade in pre-emergency times will be continued. Practices newly introduced during the emergency and particularly those designed to evade or avoid some of the effects of war regulation will be subject to close scrutiny by the government and may be forced out of the picture.

S·116. Subterfuges to evade schedules won't work. With new, very drastic weapons at its disposal, the Price Administrator can be expected to take effective action against all evasive practices. Among those that were already hit in announcements of OPA are:

(1) Falsification of records or failure to record all transactions, with the object of completing sales at prices above the established maximums.

(2) Designation of the dealer as an "agent" or "employee" of the buyer, entitled as such to a "commission" or "salary" which brings the realized price above the ceiling. "Bonuses," "premiums" or "service charges" for locating, cleaning or classifying material.

(3) Unwarranted freight charges arrived at by computing haulage from some

Copyright, February 11, 1942, Research Institute.

point other than the dealer's yard or actual and final place of shipment to the buyer.

(4) Sale of dirty or contaminated scrap at the maximum prices established for clean and dry scrap.

(5) Sale at maximum prices of admixtures of metals, for which ceiling prices have been established, and cheaper materials.

recommendation: The price-fixing authority wants and must have the facts which govern the calculation of a price schedule. It will therefore become highly important for you to have accurate data concerning prices, costs and margins always available. You may be called to meetings with OPA in which the facts that you present may be decisive.

Another important matter with which you must be concerned now is to establish your position as a member of the industry in which you operate. Maximum price ceilings generally go hand in hand with rationing or at least a licensing system. In both cases it is important for you to be known as a seller of the rationed commodity or the item subject to licensing. Prepare immediately a complete list showing the whole range of articles you manufacture or handle in your concern and establish it as a matter of record either in your advertising or trade journal or trade association.

S·117. What is a violation. Section IV of the Price Control Act, listing the prohibitions, states in unmistakable terms that not only the seller but the buyer as well is prohibited from exceeding prices or departing from terms set by any of the regulations issued by the Price Administration.

observation: There are two important points which should not be overlooked: (1) The prohibitions apply and customary penalties threaten the buyer only if he purchased or received the commodity in the course of trade or business. The determining factor here lies in the circumstances under which the purchase was made. All the buying done by a business man or a company in the course of its operations is subject to all the provisions of the law. This holds true even in those instances where a company undertakes an independent transaction, extraneous and not connected with its normal operations. The criterion is that the particular transaction was made for and in the course of the particular business.

(2) The Act does not confine its prohibitions to selling or delivering, buying or receiving a commodity, but extends to the act to "offer, solicit or agree to do." This means that not only completed transactions and definite contracts entered into may be classed as violations but that the same holds true of all steps leading up to such an illegal contract or transaction. The clear intent of the lawmakers is to make action by the Price Administrator possible at an early stage, i.e., at the moment OPA receives notice of a sales offer at higher than ceiling prices, for instance.

In the field of defense area housing, it is declared unlawful to remove or attempt to remove from housing accommodations a tenant or occupant or to refuse to renew leases because the tenant proposes to take action under the Price Control Act.

observation: This provision was included for the exclusive purpose of protecting tenants in defense areas in their exercise of legitimate rights under the Price

Control Act. It does not mean that all leases are frozen and must be renewed regardless of other considerations involved. The only action prohibited here consists in evicting a tenant because of action he has taken or intends to take against a landlord for a violation of maximum rent provisions.

S·118. Prevention of hoarding. Price control requires that hoarding be prevented. In addition to the Price Control Bill, other legislation is aimed at preventing hoarding. The term has not yet been defined in any precise, mathematical form. Roughly it means buying and storing excessive quantities of any commodity.

recommendation: To avoid any possibility of being accused of hoarding, prepare the following data. Figure the normal ratio between your stocks and your normal net sales in 1938–40 and in the month preceding October 1, 1941. It is also possible to compare your ratio with the average ratio for your whole industry between total sales and stocks on hand as indicated in the last census. The following factors may also be examined in this connection:

In many balance sheets the value of the stocks contains reserves. You may for the purpose of establishing your ratio include the full value of your stocks.

Because of the emergency, certain additions to the needed quantities of stock may be justified. In normal times when surpluses exist, hand-to-mouth buying is the general practice, but in a time of emergency transportation difficulties, the rejection of orders by suppliers, delays in deliveries caused by priorities and other defense measures, demand larger stocks if a plant is to be kept going. A certain margin for this purpose is certain to be permitted.

S·119. Agricultural prices. The Price Control Act sets four "floors" for agricultural prices below which no price ceilings may be established:

(1) 110% of parity, possibly adjusted by the Secretary of Agriculture;
(2) the market price of October 1, 1941;
(3) the market price on December 15, 1941;
(4) the average price July 1, 1919–June 30, 1929.

Maximum prices established for goods processed or manufactured from such agricultural commodities are to reflect these minimum standards. In addition, no maximum prices may be fixed by the Price Administrator without the approval of the Secretary of Agriculture.

observation: Restrictions imposed here on the Price Administrator appear to be very stringent. To what extent the actual administration will be hampered by these provisions remains to be seen. Both the President and the Secretary of Agriculture have come out with statements favoring the maintenance of parity prices rather than pushing agricultural commodity prices up to the limits set by the Act.

recommendation: The rule that price administration should take into consideration specific considerations affecting each commodity individually will be applied to the agricultural field as well. This means that prices of those commodities of which there is plenty, such as cotton or corn, may be held below the floors without price ceilings for quite some time. Consider the situation in each particular

Copyright, February 11, 1942, Research Institute.

commodity in which you are interested separately before drawing any over-all conclusions.

S·120. Rent control in defense areas. The Act contains specific reference to rent control. The Price Administrator is to issue recommendations for the stabilization or reduction of rents in defense areas. If, within 60 days, state or local authorities have not been successful in accomplishing results, the Price Administrator may establish maximum rents for accommodations in such defense areas. As in the case of the provision regarding maximum prices (see ¶ S·108) the Administration is asked to give consideration to rents prevailing on April 1, 1941 or the nearest normal date before that time, but no earlier than April 1, 1940. By directing the Administrator to consider other relevant factors in determining the maximum level applicable to the community, his reference to a past date loses much of its importance. In the administration of rents in defense areas the Administrator shall, as far as practicable, consider recommendations by state and local officials.

recommendation: In housing, to a greater extent than in other fields, local administration is certain to play an important part. If you have a legitimate interest in preventing rent legislation in your area which might be injurious to private as well as public local interests, enlist the support of the local authorities in impressing OPA with the problems confronting your region and in making suggestions for the proper form of rent controls.

observation: Despite the acute rent situations in almost all defense areas, government rent-fixing, made possible by the Act, is apt to be used warily. New construction will be badly needed, but few private contractors will risk the building investment when rents are fixed and building costs are not. Yet the pressure to fix rents will be tremendous and if rents are fixed, either the defense industries will find it necessary to build the houses for the expanding personnel themselves, or the government itself will have to undertake the expansion of housing by direct action or through subsidies.

S·121. The power to buy and sell. The Administrator is given power to buy, use, store or sell any commodity without competitive bidding. These powers are granted to obtain the maximum necessary production by purchases from marginal or high-cost producers and may be implemented by the granting of subsidies to such high-cost producers. The Act contains, however, several limitations:

(1) The buying and selling power with regard to agricultural commodities is restricted by the provisions of the Agricultural Adjustment Act of 1938 and by the other sections of this Act having reference to agriculture.

(2) The Administrator may not buy and sell strategic and critical materials and supplies which will remain in the hands of corporations organized under the Reconstruction Finance Corporation Act but may make recommendations with regard to such commodities.

observation: These corporations are specifically authorized to buy at higher than ceiling prices and to sell below ceiling and below purchase prices. A recent an-

nouncement of a quota system for copper, zinc, the lead production under which producers of these materials are assigned quotas based on 1941 output and are promised a price considerably above ceiling for all their above-quota output for two and one-half years is an example of the procedure to be employed under this authorization. By having the government absorb the higher cost, an increase in the total available quantity of such materials is accomplished without disturbing the general price level. Look for an extension of this policy to other than the three above-mentioned metals.

S·122. Rationing and commandeering. In the past, the defense authorities have been concerned over the fact that owners of "price-ceiled" commodities have succeeded in defeating the intent of the price schedules by simply standing pat and just refusing to sell. The Price Control Act forbids the Administrator to compel the selling, but other laws make it possible to control the flow of commodities by rationing or commandeering. In effect, all priority provisions constitute a system of rationing and virtually place the whole existing supply of a commodity in the hands of government agencies. Rationing and commandeering serve as devices by means of which hoarding can be prevented. It should not be overlooked that the government has the power to conscript industry and to commandeer supplies under the Draft Property Law and the Selective Service Act.

S·123. Centralized government buying and selling offices. Commandeering and rationing take place when scarcity exists in vital commodities. Price control is likewise a child of scarcity. The inter-relation between these methods is evident from the fact that the prices of rationed commodities cannot be left free. Because it is desirable to maintain uniform prices in as large an area as possible —thus assuring greater ease in enforcement and control—centralized government buying and selling offices are likely to make their appearance.

On the basis of experience abroad, it is clear that such agencies function along the following lines: they either purchase (under the government stockpile plan) or commandeer the basic raw materials so that the central agency is in a position to impose the maximum prices as the only buyer. The sellers are paid on a "cost-plus" basis. "Wind-fall profits" become impossible. The central agency sells the whole quantity at an average uniform price, freight prepaid. The result is complete ease in policing prices.

recommendation: It is the cost-plus factor in the situation that makes it important for you to keep careful records, as has been recommended above. Watch for the expansion of existing government buying agencies like the Metal Reserve and Rubber Reserve Companies into such central government buying and selling agencies. Trade associations and manufacturers' groups will undoubtedly be given the opportunity to gain representation in such companies and should accept.

S·124. Equalization of cost elements. Transportation is always a price-disturbing element in an emergency. Higher freight rates mean higher prices. Uniform price fixing must include the rates for carrying the goods over the longest

Copyright, February 11, 1942, Research Institute.

distances. One method by which prices are regionalized is the "basing point system." In the past, the Administration has opposed the basing point system. But in fixing several of his price schedules, Administrator Henderson declared that he was following the practice of the industry in using this system and that it was not, therefore, to be concluded that he approved of it.

observation: On the basis of World War experience, it is possible to anticipate future policy. Freight costs can be pooled for special regions or for entire industries. Deliveries can be made freight prepaid. The industry itself would accumulate freight receipts in one fund or the government could create and handle such funds. Certain emergency expenses and risks could also be equalized by different devices.

S·125. Relief from price ceilings. Price schedules that have been issued in the past have always contained a provision for relief from undue hardship. In some cases a period has been allowed in which existing commitments at higher-than-schedule rates could be carried out and goods bought at higher prices before the ceiling could be sold. In all cases the Price Administrator has left room for individual appeals for relief on the ground that the schedule would cause undue hardship. No formal procedure was set up. It is sufficient to address a letter to the Administrator setting forth the facts and indicating any inequities in the operation of the price schedule.

recommendation: Under the existing price ceilings, if a schedule threatens to upset your balance sheet this is what you can do. You must, first of all, comply with the price ceiling established; then, if you find it necessary to increase prices for legitimate reasons, as for increased labor and raw material costs, you must ask to be relieved from the special hardships which the regulations put upon you. The sequence is first compliance, next the collection of sufficient facts concerning costs and profits, then application for relief.

S·126. How to justify a higher ceiling.

recommendation: On the basis of past policies pursued by OPA, it is quite clear that a factual presentation of conditions in the industry will be effective. Here are some of the things which OPA has taken into account and on the basis of which it has raised price ceilings:

(1) Cost of third-shift operations.
(2) Training of learners.
(3) Costs incidental to power shutdowns.
(4) Increase in raw material costs.
(5) Increase in unit costs because of curtailed production brought about by priorities.
(6) Increase in costs due to the use of substitute materials and changes in methods of operation required by the defense emergency.
(7) Delays in deliveries caused by shortage or other bottlenecks.
(8) Premium for emergency risk in certain cases.

observation: One problem on which attention will be focussed more and more is whether the seller is to be permitted to figure his resale price on the basis of the

original value or the replacement value. A seller who disposes of his goods according to the original price at a time when the price of replacement must increase may "win in dollars and lose in value" and ultimately sell himself out of business because he will not be able to replace his stock. Heretofore, however, OPA has taken the view that an increase in raw material cost will not justify an immediate price rise if the trade has heavy stocks on hand. It argues that the original price must be the basis of cost and profit calculation. It does admit, however, that average prices may constitute a proper basis for determination when quantities of the same commodity are bought at different prices.

Illustration: Assume that purchases are made on the following basis:

100 units at	$2	per unit equals	$ 200
200 units at	2.50	per unit equals	500
250 units at	4.00	per unit equals	1,000
Total units	550		$1,700

The average price on which the calculation should be based is $1,700 ÷ 550 which equals $3.09.

An increase in production costs will not justify an increase in wholesale or retail prices beyond that occasioned by the producer's price increase. This means that wholesalers and retailers will not be permitted to apply the customary practice of percentage markups where the manufacturer's price has been increased, unless there is a general increase in the cost of distributing the product. Thus, although tire and tube manufacturers were allowed a 5% price increase, tire wholesalers and retailers were not permitted to add more to new tire and tube prices than the present dollar mark-up. Similar provisions were made for plumbing supply houses.

S·127. How to file protests. Any person subject to provisions of an OPA regulation, order or price schedule is given an opportunity to file a protest within 60 days of the effective date of such regulation. Subsequent to the 60-day period protest may be made only on grounds arising after that time.

Observation: The opportunity to file protest is restricted to persons required to obey the provisions of regulations. It is not the interest you may have in the particular commodity or the way a particular regulation may affect you that is the determining factor. If, for example, a price schedule imposes maximum prices on sellers, without making any reference to buyers of the commodity, and you, as a remote purchaser, have cause to fear detrimental effects of uniform prices on your business operations, you cannot act directly through a protest to alleviate the situation. Your two alternatives are: either you induce your regular supplier to file a protest based on and supported by your statements, to obtain an adjustment or a differentiation in the terms of the schedule; or, you as a buyer can take informal action with OPA by presenting the facts and asking for relief which may be granted either in the form of a permission to sellers to charge higher prices in the particular case, or by giving you permission to pay a premium on your purchases.

Copyright, February 11, 1942, Research Institute.

S·128. How the Administrator handles protests. Within 30 days after filing of the protest, or 90 days after issuance under the regulation, the Administrator must grant the protest, deny it, notice it for hearing, or provide an opportunity to present further written evidence. In denying the protest in whole or in part, the Administrator is required to disclose the grounds on which a decision was based and the economic data and other facts of which he has taken official notice in this connection.

recommendation: The Price Administrator is given a choice of holding oral hearings or limiting proceedings to the filing of affidavits, briefs or other written evidence. In most instances you may expect that the written procedure will be preferred so as to facilitate the handling at OPA. To expedite the procedure and to avoid complications you will do well to start at the earliest possible date to prepare any evidence which might conceivably be of value or which may possibly be called for under protest proceedings. There is no definite requirement that the Price Administrator grant adequate time for the preparation of lengthy supplementary statements or documents which might be called for and you might find yourself in a precarious position if you are unable to produce the evidence as soon as requested.

S·129. Court review of denied protests. Within 30 days after the denial of the protest, the protestant may file a complaint with the Emergency Court of Appeals. A copy of the complaint is to be served on the Administrator. All the evidence presented to the Administrator and the data brought out by the Administrator in the protest proceedings are to be included. Both the complainant and the Administrator are given an opportunity to add any additional evidence which could not reasonably be offered at the time of the original proceeding. The complainant, in addition, may supply any data which were offered to the Administrator but were rejected by him.

recommendation: Do not rely on the possibility of inserting additional data at the time of court proceedings. Should the Administrator, however, decide to bring additional evidence at that stage, this would most likely entitle you to bring up any evidence to counteract or to disprove the contentions of the Administrator.

The Emergency Court may set aside and enjoin OPA regulations if it is convinced that they are not in accordance with law or are arbitrary and capricious. Although the court may not substitute its own judgment for that of the Administrator on questions of fact, it may, for all practical purposes, review all of the facts presented and the entire procedure involved before the case was brought to court. The procedure for such broad additional review in the Emergency Court of Appeals is therefore essentially the same as that provided for three-judge district courts in reviews of orders of the Interstate Commerce Commission and other federal administrative agencies.

Within 30 days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, with a similar review procedure provided for as in the case of the Emergency Court. Judgments of the Emergency

Court enjoining or setting aside in whole or in part any regulation of the Price Administrator do not become effective until 30 days from the entry. This 30-day period is provided to prevent price rises during the time the Administrator is modifying the existent regulations in accordance with the judgment of the court or preparing a petition for the Supreme Court.

S·130. Suit for treble damages. The purchaser of a commodity for use or consumption other than in the course of trade or business, or the tenant of the defense housing accommodation, is given the right to bring action against the seller violating maximum prices or maximum rent for $50 or treble the amount by which the applicable maximum was exceeded, whichever is greater, plus a reasonable return of fees and costs. Suit must be brought within one year after delivery of the commodity is completed or the rent paid, in any court of competent jurisdiction.

observation: The order specifically excludes buyers in the course of business from the right to sue for treble damages. In such instances only the Administrator is given an opportunity to bring suit on behalf of the United States. Don't count, therefore, on getting scarce material at any price now and bringing suit for damages later on. If your purchase was for business purposes the amount paid above the maximum will, in most instances, be lost and you will not be able to recover the excess amount.

S·131. The Administrator's power of enforcement. The most effective and immediate enforcement measure at the disposal of the Price Administrator is the injunction in the face of commodity violations. But even where no such violation has yet been committed and the Price Administrator merely believes that there is a danger of such violations, he may apply to the appropriate court for an order enjoining such acts or practices or for an order enforcing compliance. If OPA can bring proof that the particular business is engaged or about to engage in any acts violating price regulations, the court may grant a temporary or permanent injunction, a restraining order, or any other order, without bond, to compel compliance or to prevent violations.

In all instances where records and reports are to be kept or filed for price regulatory purposes, the violator exposes himself to the threat of fines up to $5,000 and imprisonment of not more than one year, or both. This part of the enforcement powers which is in line with provisions pertaining to other reports to the government will be subject to supervision and control by the Attorney General. A special penalty of imprisonment up to two years is in this case provided for government employees violating the provision that all information and data obtained in exercise of price control functions is not to be disclosed. Criminal proceedings for violations of the Act are conferred upon the District Courts of the United States. A process may be served in any district in which the defendant resides or transacts business. Criminal proceedings are to be brought in the court of the district in which any act or transaction or part of any such act or transaction constituting the violation has occurred.

The Act specifically protects persons from suits for damages or penalties with

Copyright, February 11, 1942, Research Institute.

regard to anything they have done or submitted in good faith under the terms of the Act or of any order, schedule or regulation issued on this basis. This applies even to such provisions which have been rescinded, modified or held invalid. In all cases where the defendant bases his defense on any of the provisions of the Act or on the regulation issued by OPA, the Administrator is authorized to intervene in the proceedings.

observation: This provision itself offers additional protection for all agreements, particularly those pertaining to simplification and standardization, instituted under and with the cooperation of OPA. It assures you of immunity from antitrust proceedings provided requirements mentioned in ¶ S·106 have been met.

S·132. Licensing of business. The Law authorizes the Price Administrator to license businesses subject to one or several of his regulations. This power is restricted in several respects:

(1) Only where the particular business is subject to existing regulations or orders;

(2) No license may be required of sellers or distributors of newspapers, periodicals or books, printed or written material (other than waste or scrap), of sellers of radio time, or of farmers or fishermen;

(3) The Administrator does not have the right to deny a license unless the person had his license suspended or already has a license.

The most important limitation imposed upon the Administrator is the denial of the power to suspend licenses. He is restricted to issuing a warning on evidence of any violations. If, after having given the first warning the Administrator finds proof of new violations, he may then petition the court for an order suspending the license for a period of no more than one year. The court decides in equity proceedings whether or not the request of the Administrator is to be granted.

observation: The authority to license business will not be exercised in all instances. It is a potential weapon to be used where the scarcities are so acute or the control of sellers is so difficult as to require additional safeguards. Fields in which licensing may possibly be applied to supplement existing controls are scrap metals and some of the essential consumer goods.

S·133. The procedure to be prepared for.

recommendation: The heavy penalties provided in the Law, the threat of loss of license to do business in those industries that will be licensed and the disgrace of carrying a label "profiteer" in a sensitive war atmosphere make it of the highest importance for industry to prepare intelligently its adjustments to price-fixing.

recommendation: In many industries and a number of trade associations, there has thus far been no attempt to accumulate adequate cost data or adequate statistical information concerning the operation of the industry. It is not too early to begin to accumulate this information now. It will not only be vital in the months to come but will continue increasingly so during the balance of the emergency and for many months after the emergency officially ends while the price law still remains in effect. On the basis of this information, these are the intelligent steps:

(1) In anticipation of price-fixing, or on any indication that a ceiling is being considered for your industry, your trade association should give complete, accurate and convincing information to the Administrator.

(2) If the price fixed or rationing order seems unjust, then file a protest within 60 days after the issuance of the price order, and, if necessary, as indicated before, appeal still is available to the "Emergency Court of Appeals" and finally by a writ of certiorari to the Supreme Court.

The basic economic elements in the overwhelming majority of these cases will be the question of cost. That is why it is necessary to collect constantly information concerning costs and changes in cost elements in all business lines liable to be put under price ceilings. The same holds good for the quantities of supply and demand, for transportation or storage difficulties, etc. For a number of years business has had to contend with regulation and barriers created by law; now the problems will arise as a result of economic rather than legislative factors. And the government will attempt to meet them on an economic plane in which your economic information will be of primary importance.

S·134. Will there be an over-all "fair price"? In most foreign countries price legislation has been supported by a "fair price" clause so as to exercise a certain amount of control over the sellers of necessary commodities on which no price ceiling has been imposed. The Price Control Act does not expressly contain any such provision. But should prices threaten to get out of line and should the selective price control system make it impossible for the Administration to step in effectively to curb such price advances, it can be assumed that some form of "fair price" legislation will be invoked.

If and when "fair price" regulation comes, the responsibility for maintaining fair prices will be shifted from the Price Administrator to each individual seller. The seller in each case will have to determine, on the basis of his costs and what can be considered a fair profit, how much to charge for his goods. The elements in calculating a fair price are:

(1) Purchasing prices of all commodities, including all raw and auxiliary materials.

(2) Cost of production, including costs for storage, transportation and distribution.

(3) Reasonable allowance for all overhead cost; allowances granted to customers.

(4) Compensation for the entrepreneurs own labor.

(5) Rental value of the business premises.

(6) Interest on capital loaned as well as owned.

(7) Premium for reasonable risk.

(8) Fair net profit.

Observation: Statistics have been compiled and published relating to retail and most wholesale business lines. They include average gross margin, the main cost elements and the net profit, according to the size of business and the size of the city where it is located. Most complete are Dun and Bradstreet's Retail Survey, now being supplemented with a wholesale survey; the Census of Distribution

Copyright, February 27, 1942, Research Institute.

(1929) and the Census of Business (1935 and 1940); the publications of the National Retail Dry Goods Association and the distribution costs studies of the Harvard School of Business Administration. It is very likely that OPA, when examining distribution margins, will take this data as a primary source of information. In addition the Price Control Act will authorize OPA to utilize a large number of experts to compile original data.

S·135. First Procedural Regulation issued by OPA. The first regulation to govern the procedure in issuing price schedules, filing and handling of protests and petitions for amendment as well as interpretations was issued by OPA on February 12, 1942. The highlights of the regulation are:

(1) Whenever practicable, the Administrator will hold pre-issuance hearings before a maximum price regulation is made. (See ¶s S·104-109)

(2) The right to protest is limited to persons who are subject to a maximum price regulation, i.e., if such provision prohibits or requires action by them, and must be filed within 60 days after issuance except where the reason for the protest arises at a later date. The regulation contains all the information which protests must contain, including affidavits and other written evidence in support of protests. The procedure in handling protests and holding hearings is outlined. (See ¶s S·127-129)

(3) Persons who are affected by maximum price regulations but are not subject to them in the meaning outlined above may file a petition for amendment which will be handled by the Price Administrator in an informal way. This applies also to persons who failed to file a protest within the 60-day period provided.

recommendation: This provision particularly applies to buyers who may not be directly subject to a price regulation but whose interests might be hurt by its operations. If you are a buyer of a price-ceiled commodity and you feel that by the operations of the regulation with regard to freight differentials, for instance, you may be cut off from your regular source of supply, you may petition OPA in the form prescribed in the regulation.

(4) Persons who request individual adjustment or exception may file an appropriate petition containing specified information. Such petitions will be acted upon by the Price Administrator in an informal way. (See ¶ S·125)

(5) Interpretations will be given only upon written inquiry which must contain specific information and may not be based on a hypothetical case.

(The full text of Procedural Regulation No. 1 appears at ¶ S·175.)

LAW: Text of the Emergency Price Control Act of 1942

To further the national defense and security by checking speculative and excessive price rises, price dislocations, and inflationary tendencies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

TITLE I—GENERAL PROVISIONS AND AUTHORITY

Purposes; Time Limit; Applicability

Section 1. (a) It is hereby declared to be in the interest of the national defense and security and necessary to the effective prosecution of the present war, and the purposes of this Act are, to stabilize prices and to prevent speculative, unwarranted, and abnormal increases in prices and rents; to eliminate and prevent profiteering, hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities caused by or contributing to the national emergency; to assure that defense appropriations are not dissipated by excessive prices; to protect persons with relatively fixed and limited incomes, consumers, wage earners, investors, and persons dependent on life insurance, annuities, and pensions, from undue impairment of their standard of living; to prevent hardships to persons engaged in business, to schools, universities and other institutions, and to the Federal, State, and local governments, which would result from abnormal increases in prices; to assist in securing adequate production of commodities and facilities; to prevent a post emergency collapse of values; to stabilize agricultural prices in the manner provided in section 3; and to permit voluntary cooperation between the Government and producers, processors, and others to accomplish the aforesaid purposes. It shall be the policy of those departments and agencies of the Government dealing with wages (including the Department of Labor and its various bureaus, the War Department, the Navy Department, the War Production Board, the National Labor Relations Board, the National Mediation Board, the National War Labor Board, and others heretofore or hereafter created), within the limits of their authority and jurisdiction, to work toward a stabilization of prices, fair and equitable wages, and cost of production.

(b) The provisions of this Act, and all regulations, orders, price schedules, and requirements thereunder, shall terminate on June 30, 1943, or upon the date of a proclamation by the President, or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this Act is not necessary in the interest of the national defense and security, whichever date is the earlier; except that as to offenses committed, or rights or liabilities incurred, prior to such termination date, the provisions of this Act and such regulations, orders, price schedules, and requirements shall be treated as still remaining in force for the purpose of sustaining any proper suit, action, or prosecution with respect to any such right, liability, or offense.

(c) The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

Prices, Rents, and Market and Renting Practices

Sec. 2. (a) Whenever in the judgment of the Price Administrator (provided for in section 201) the price or prices of a commodity or commodities have risen or threaten to rise to an extent or in a manner inconsistent with the purposes of this Act, he may by regulation or order establish such maximum price or maximum prices as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum price, the Administrator shall ascertain and give due consideration to the prices prevailing between October 1 and October 15, 1941 (or if, in the case of any commodity, there are no prevailing prices between such dates, or the prevailing prices between such dates are not generally representative because of abnormal or seasonal market conditions or other cause, then to the prices prevailing during the nearest two-week period in which, in the judgment of the Administrator, the prices for such commodity are generally representative), for the commodity or commodities included under such regulation or order, and shall make adjustments for such relevant factors as he may determine and deem to be of general applicability, including the following: Speculative fluctuations, general increases or decreases in costs of production, distribution, and transportation, and general increases or decreases in profits earned by sellers of the commodity or commodities, during and subsequent to the year ended October 1, 1941. Every regulation or order issued under the foregoing provisions of this sub-

section shall be accompanied by a statement of the considerations involved in the issuance of such regulation or order. As used in the foregoing provisions of this subsection, the term "regulation or order" means a regulation or order of general applicability and effect. Before issuing any regulation or order under the foregoing provisions of this subsection, the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation or order. In the case of any commodity for which a maximum price has been established, the Administrator shall, at the request of any substantial portion of the industry subject to such maximum price, regulation, or order of the Administrator, appoint an industry advisory committee, or committees, either national or regional or both, consisting of such number of representatives of the industry as may be necessary in order to constitute a committee truly representative of the industry, or of the industry in such region, as the case may be. The committee shall select a chairman from among its members, and shall meet at the call of the chairman. The Administrator shall from time to time, at the request of the committee, advise and consult with the committee with respect to the regulation or order, and with respect to the form thereof, and classifications, differentiations, and adjustments therein. The committee may make such recommendations to the Administrator as it deems advisable. Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, without regard to the foregoing provisions of this subsection, issue temporary regulations or orders establishing as a maximum price or maximum prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulations or orders; but any such temporary regulation or order shall be effective for not more than sixty days, and may be replaced by a regulation or order issued under the foregoing provisions of this subsection.

(b) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he shall issue a declaration setting forth the necessity for, and recommendations with reference to, the stabilization or reduction of rents for any defense-area housing accommodations within a particular defense-rental area. If within sixty days after the issuance of any such recommendations rents for any such accommodations within such defense-rental area have not in the judgment of the Administrator been stabilized or reduced by State or local regulation, or otherwise, in accordance with the recommendations, the Administrator may by regulation or order establish such maximum rent or maximum rents for such accommodations as in his judgment will be generally fair and equitable and will effectuate the purposes of this Act. So far as practicable, in establishing any maximum rent for any defense-area housing accommodations, the Administrator shall ascertain and give due consideration to the rents prevailing for such accommodations, or comparable accommodations, on or about April 1, 1941 (or if, prior or subsequent to April 1, 1941, defense activities shall have resulted or threatened to result in increases in rents for housing accommodations in such area inconsistent with the purposes of this Act, then on or about a date (not earlier than April 1, 1940), which in the judgment of the Administrator, does not reflect such increases), and he shall make adjustments for such relevant factors as he may determine and deem to be of general applicability in respect of such accommodations, including increases or decreases in property taxes and other costs. In designating defense-rental areas, in prescribing regulations and orders establishing maximum rents for such accommodations, and in selecting persons to administer such regulations and orders, the Administrator shall, to such extent as he determines to be practicable, consider any recommendations which may be made by State and local officials concerned with housing or rental conditions in any defense-rental area.

(c) Any regulation or order under this section may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions, as in the judgment of the Administrator are necessary or proper in order to effectuate the purposes of this Act. Any regulation or order under this section which establishes a maximum price or maximum rent may provide for a maximum price or maximum rent below the price or prices prevailing for the commodity or commodities, or below the rent or rents prevailing for the defense-area housing accommodations, at the time of the issuance of such regulation or order.

(d) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act, he may, by regulation or order, regulate or prohibit speculative or manipulative practices (including practices relating to changes in form or quality) or hoarding, in connection with any commodity, and speculative or manipulative practices or renting or leasing practices (including practices relating to recovery of the possession) in connection with any defense-area housing accommodations, which in his judgment are

equivalent to or are likely to result in price or rent increases, as the case may be, inconsistent with the purposes of this Act.

(e) Whenever the Administrator determines that the maximum necessary production of any commodity is not being obtained or may not be obtained during the ensuing year, he may, on behalf of the United States, without regard to the provisions of law requiring competitive bidding, buy or sell at public or private sale, or store or use, such commodity in such quantities and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof or otherwise to supply the demand therefor, or make subsidy payments to domestic producers of such commodity in such amounts and in such manner and upon such terms and conditions as he determines to be necessary to obtain the maximum necessary production thereof: Provided, That in the case of any commodity which has heretofore or may hereafter be defined as a strategic or critical material by the President pursuant to section 5d of the Reconstruction Finance Corporation Act, as amended, such determinations shall be made by the Federal Loan Administrator, with the approval of the President, and, notwithstanding any other provision of this Act or of any existing law, such commodity may be bought or sold, or stored or used, and such subsidy payments to domestic producers thereof may be paid, only by corporations created or organized pursuant to such section 5d; except that in the case of the sale of any commodity by any such corporation, the sale price therefor shall not exceed any maximum price established pursuant to subsection (a) of this section which is applicable to such commodity at the time of sale or delivery, but such sale price may be below such maximum price or below the purchase price of such commodity, and the Administrator may make recommendations with respect to the buying or selling, or storage or use, of any such commodity. In any case in which a commodity is domestically produced, the powers granted to the Administrator by this subsection shall be exercised with respect to importations of such commodity only to the extent that, in the judgment of the Administrator, the domestic production of the commodity is not sufficient to satisfy the demand therefor. Nothing in this section shall be construed to modify, suspend, amend, or supersede any provision of the Tariff Act of 1930, as amended, and nothing in this section, or in any existing law, shall be construed to authorize any sale or other disposition of any agricultural commodity contrary to the provisions of the Agricultural Adjustment Act of 1938, as amended, or to authorize the Administrator to prohibit trading in any agricultural commodity for future delivery if such trading is subject to the provisions of the Commodity Exchange Act, as amended.

(f) No power conferred by this section shall be construed to authorize any action contrary to the provisions and purposes of section 3, and no agricultural commodity shall be sold within the United States pursuant to the provisions of this section by any governmental agency at a price below the price limitations imposed by section 3 (a) of this Act with respect to such commodity.

(g) Regulations, orders, and requirements under this Act may contain such provisions as the Administrator deems necessary to prevent the circumvention or evasion thereof.

(h) The powers granted in this section shall not be used or made to operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, established in any industry, except to prevent circumvention or evasion of any regulation, order, price schedule, or requirement under this Act.

(i) No maximum price shall be established for any fishery commodity below the average price of such commodity in the year 1941.

Agricultural Commodities

Sec. 3. (a) No maximum price shall be established or maintained for any agricultural commodity below the highest of any of the following prices, as determined and published by the Secretary of Agriculture: (1) 110 per centum of the parity price for such commodity adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), 110 per centum of such comparable price, adjusted in the same manner, in lieu of 110 per centum of the parity price so adjusted; (2) the market price prevailing for such commodity on October 1, 1941; (3) the market price prevailing for such commodity on December 15, 1941; or (4) the average price for such commodity during the period July 1, 1919, to June 30, 1929.

(b) For the purposes of this Act, parity prices shall be determined and published by the Secretary of Agriculture as authorized by law. In the case of any agricultural commodity other than the basic crops, corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary shall determine and publish a comparable price whenever he finds, after investigation and public hearing,

that the production and consumption of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities.

(c) No maximum price shall be established or maintained for any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of such agricultural commodity a price for such agricultural commodity equal to the highest price therefor specified in subsection (a).

(d) Nothing contained in this Act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such Act.

(e) Notwithstanding any other provision of this or any other law, no action shall be taken under this Act by the Administrator or any other person with respect to any agricultural commodity without the prior approval of the Secretary of Agriculture; except that the Administrator may take such action as may be necessary under section 202 and section 205 (a) and (b) to enforce compliance with any regulation, order, price schedule or other requirement with respect to an agricultural commodity which has been previously approved by the Secretary of Agriculture.

(f) No provision of this Act or of any existing law shall be construed to authorize any action contrary to the provisions and purposes of this section.

Prohibitions

Sec. 4. (a) It shall be unlawful, regardless of any contract, agreement, lease, or other obligation heretofore or hereafter entered into, for any person to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or to demand or receive any rent for any defense-area housing accommodations, or otherwise to do or omit to do any act, in violation of any regulation or order under section 2, or of any price schedule effective in accordance with the provisions of section 206, or of any regulation, order, or requirement under section 202 (b) or section 205 (f), or to offer, solicit, attempt, or agree to do any of the foregoing.

(b) It shall be unlawful for any person to remove or attempt to remove from any defense-area housing accommodations the tenant or occupant thereof or to refuse to renew the lease or agreement for the use of such accommodations, because such tenant or occupant has taken, or proposes to take, action authorized or required by this Act or any regulation, order, or requirement thereunder.

(c) It shall be unlawful for any officer or employee of the Government, or for any adviser or consultant to the Administrator in his official capacity, to disclose, otherwise than in the course of official duty, any information obtained under this Act, or to use any such information, for personal benefit.

(d) Nothing in this Act shall be construed to require any person to sell any commodity or to offer any accommodations for rent.

Voluntary Agreements

Sec. 5. In carrying out the provisions of this Act, the Administrator is authorized to confer with producers, processors, manufacturers, retailers, wholesalers, and other groups having to do with commodities, and with representatives and associations thereof, to cooperate with any agency or person, and to enter into voluntary arrangements or agreements with any such persons, groups, or associations relating to the fixing of maximum prices, the issuance of other regulations or orders, or the other purposes of this Act, but no such arrangement or agreement shall modify any regulation, order, or price schedule previously issued which is effective in accordance with the provisions of section 2 or section 206. The Attorney General shall be promptly furnished with a copy of each such arrangement or agreement.

TITLE II—ADMINISTRATION AND ENFORCEMENT

Administration

Sec. 201. (a) There is hereby created an Office of Price Administration, which shall be under the direction of a Price Administrator (referred to in this Act as the "Administrator"). The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $12,000 per annum. The Administrator may, subject to the civil-service laws, appoint such employees as he deems necessary in order to carry out his functions and duties under this Act, and shall fix their compensation in accordance with

the Classification Act of 1923, as amended. The Administrator may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Administrator in any case in any court. In the appointment, selection, classification, and promotion of officers and employees of the Office of Price Administration, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

(b) The principal office of the Administrator shall be in the District of Columbia, but he or any duly authorized representative may exercise any or all of his powers in any place. The President is authorized to transfer any of the powers and functions conferred by this Act upon the Office of Price Administration with respect to a particular commodity or commodities to any other department or agency of the Government having other functions relating to such commodity or commodities, and to transfer to the Office of Price Administration any of the powers and functions relating to priorities or rationing conferred by law upon any other department or agency of the Government with respect to any particular commodity or commodities; but, notwithstanding any provision of this or any other law, no powers or functions conferred by law upon the Secretary of Agriculture shall be transferred to the Office of Price Administration or to the Administrator, and no powers or functions conferred by law upon any other department or agency of the Government with respect to any agricultural commodity, except powers and functions relating to priorities or rationing, shall be so transferred.

(c) The Administrator shall have authority to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere; for lawbooks and books of reference; and for paper, printing, and binding) as he may deem necessary for the administration and enforcement of this Act. The provisions of section 3709 of the Revised Statutes shall not apply to the purchase of supplies and services by the Administrator where the aggregate amount involved does not exceed $250.

(d) The Administrator may, from time to time, issue such regulations and orders as he may deem necessary or proper in order to carry out the purposes and provisions of this Act.

Investigations; Records; Reports

Sec. 202. (a) The Administrator is authorized to make such studies and investigations and to obtain such information as he deems necessary or proper to assist him in prescribing any regulation or order under this Act, or in the administration and enforcement of this Act and regulations, orders, and price schedules thereunder.

(b) The Administrator is further authorized, by regulation or order, to require any person who is engaged in the business of dealing with any commodity, or who rents or offers for rent or acts as broker or agent for the rental of any housing accommodations, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and he may require any such person to permit the inspection and copying of records and other documents, the inspection of inventories, and the inspection of defense-area housing accommodations. The Administrator may administer oaths and affirmations and may, whenever necessary, by subpena require any such person to appear and testify or to appear and produce documents, or both, at any designated place.

(c) For the purpose of obtaining any information under subsection (a), the Administrator may by subpena require any other person to appear and testify or to appear and produce documents, or both, at any designated place.

(d) The production of a person's documents at any place other than his place of business shall not be required under this section in any case in which, prior to the return date specified in the subpena issued with respect thereto, such person either has furnished the Administrator with a copy of such documents (certified by such person under oath to be a true and correct copy), or has entered into a stipulation with the Administrator as to the information contained in such documents.

(e) In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in subsection (c), the district court for any district in which such person is found or resides or transacts business, upon application by the Administrator, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof. The provisions of this subsection shall also apply to any person referred to in subsection (b), and shall be in addition to the provisions of section 4 (a).

(f) Witnesses subpenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

(g) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (U. S. C., 1934 edition, title 49, sec. 46), shall apply with respect to any individual who specifically claims such privilege.

(h) The Administrator shall not publish or disclose any information obtained under this Act that such Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless he determines that the withholding thereof is contrary to the interest of the national defense and security.

Procedure

Sec. 203. (a) Within a period of sixty days after the issuance of any regulation or order under section 2, or in the case of a price schedule, within a period of sixty days after the effective date thereof specified in section 206, any person subject to any provision of such regulation, order, or price schedule may, in accordance with regulations to be prescribed by the Administrator, file a protest specifically setting forth objections to any such provision and affidavits or other written evidence in support of such objections. At any time after the expiration of such sixty days any persons subject to any provision of such regulation, order, or price schedule may file such a protest based solely on grounds arising after the expiration of such sixty days. Statements in support of any such regulation, order, or price schedule may be received and incorporated in the transcript of the proceedings at such times and in accordance with such regulations as may be prescribed by the Administrator. Within a reasonable time after the filing of any protest under this subsection, but in no event more than thirty days after such filing or ninety days after the issuance of the regulation or order (or in the case of a price schedule, ninety days after the effective date thereof specified in section 206) in respect of which the protest is filed, whichever occurs later, the Administrator shall either grant or deny such protest in whole or in part, notice such protest for hearing, or provide an opportunity to present further evidence in connection therewith. In the event that the Administrator denies any such protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice

(b) In the administration of this Act the Administrator may take official notice of economic data and other facts, including facts found by him as a result of action taken under section 202.

(c) Any proceedings under this section may be limited by the Administrator to the filing of affidavits, or other written evidence, and the filing of briefs.

Review

Sec. 204. (a) Any person who is aggrieved by the denial or partial denial of his protest may, within thirty days after such denial, file a complaint with the Emergency Court of Appeals, created pursuant to subsection (c), specifying his objections and praying that the regulation, order, or price schedule protested be enjoined or set aside in whole or in part. A copy of such complaint shall forthwith be served on the Administrator, who shall certify and file with such court a transcript of such portions of the proceedings in connection with the protest as are material under the complaint. Such transcript shall include a statement setting forth, so far as practicable, the economic data and other facts of which the Administrator has taken official notice. Upon the filing of such complaint the court shall have exclusive jurisdiction to set aside such regulation, order, or price schedule, in whole or in part, to dismiss the complaint, or to remand the proceeding: Provided, That the regulation, order, or price schedule may be modified or rescinded by the Administrator at any time notwithstanding the pendency of such complaint. No objection to such regulation, order, or price schedule, and no evidence in support of any objection thereto, shall be considered by the court, unless such objection shall have been set forth by the complainant in the protest or such evidence shall be contained in the transcript. If application is made to the court by either party for leave to introduce additional evidence which was either offered to the Administrator and not admitted, or which could not reasonably have been offered to the Administrator or included by the Administrator in such proceedings, and the court determines that such evidence should be admitted, the court shall order the evidence to be presented to the Administrator. The Administrator shall promptly receive the same, and such other evidence as he deems necessary or proper, and thereupon he shall certify and file with the court a transcript thereof and any modification made in the regulation, order, or price

schedule as a result thereof; except that on request by the Administrator, any such evidence shall be presented directly to the court.

(b) No such regulation, order, or price schedule shall be enjoined or set aside, in whole or in part, unless the complainant establishes to the satisfaction of the court that the regulation, order, or price schedule is not in accordance with law, or is arbitrary or capricious. The effectiveness of a judgment of the court enjoining or setting aside, in whole or in part, any such regulation, order, or price schedule shall be postponed until the expiration of thirty days from the entry thereof, except that if a petition for a writ of certiorari is filed with the Supreme Court under subsection (d) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the case by the Supreme Court.

(c) There is hereby created a court of the United States to be known as the Emergency Court of Appeals, which shall consist of three or more judges to be designated by the Chief Justice of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Emergency Court of Appeals, and may, from time to time, designate additional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. The court shall have the powers of a district court with respect to the jurisdiction conferred on it by this Act; except that the court shall not have power to issue any temporary restraining order or interlocutory decree staying or restraining, in whole or in part, the effectiveness of any regulation or order issued under section 2 or any price schedule effective in accordance with the provisions of section 206. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this Act. The court may fix and establish a table of costs and fees to be approved by the Supreme Court of the United States, but the costs and fees so fixed shall not exceed with respect to any item the costs and fees charged in the Supreme Court of the United States. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(d) Within thirty days after entry of a judgment or order, interlocutory or final, by the Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a circuit court of appeals as provided in section 240 of the Judicial Code, as amended (U. S. C., 1934 edition, title 28, sec. 347). The Supreme Court shall advance on the docket and expedite the disposition of all causes filed therein pursuant to this subsection. The Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Emergency Court of Appeals, shall have exclusive jurisdiction to determine the validity of any regulation or order issued under section 2, of any price schedule effective in accordance with the provisions of section 206, and of any provision of any such regulation, order, or price schedule. Except as provided in this section, no court, Federal, State, or Territorial, shall have jurisdiction or power to consider the validity of any such regulation, order, or price schedule, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this Act authorizing the issuance of such regulations or orders, or making effective any such price schedule, or any provision of any such regulation, order, or price schedule, or to restrain or enjoin the enforcement of any such provision.

Enforcement

Sec. 205. (a) Whenever in the judgment of the Administrator any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of section 4 of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the Administrator that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(b) Any person who willfully violates any provision of section 4 of this Act, and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment for not more than two years in the case of a violation of section 4 (c) and for not more than one year in all other cases, or to both such fine and imprisonment. Whenever the Administrator has reason to believe that any person

is liable to punishment under this subsection, he may certify the facts to the Attorney General, who may, in his discretion, cause appropriate proceedings to be brought.

(c) The district courts shall have jurisdiction of criminal proceedings for violations of section 4 of this Act, and, concurrently with State and Territorial courts, of all other proceedings under section 205 of this Act. Such criminal proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred. Except as provided in section 205 (f) (2), such other proceedings may be brought in any district in which any part of any act or transaction constituting the violation occurred, and may also be brought in the district in which the defendant resides or transacts business, and process in such cases may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found. Any such court shall advance on the docket and expedite the disposition of any criminal or other proceedings brought before it under this section. No costs shall be assessed against the Administrator or the United States Government in any proceeding under this Act.

(d) No person shall be held liable for damages or penalties in any Federal, State, or Territorial court, on any grounds for or in respect of anything done or omitted to be done in good faith pursuant to any provision of this Act or any regulation, order, price schedule, requirement, or agreement thereunder, or under any price schedule of the Administrator of the Office of Price Administration or of the Administrator of the Office of Price Administration and Civilian Supply, notwithstanding that subsequently such provision, regulation, order, price schedule, requirement, or agreement may be modified, rescinded, or determined to be invalid. In any suit or action wherein a party relies for ground of relief or defense upon this Act or any regulation, order, price schedule, requirement, or agreement thereunder, the court having jurisdiction of such suit or action shall certify such fact to the Administrator. The Administrator may intervene in any such suit or action.

(e) If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, the person who buys such commodity for use or consumption other than in the course of trade or business may bring an action either for $50 or for treble the amount by which the consideration exceeded the applicable maximum price, whichever is the greater, plus reasonable attorney's fees and costs as determined by the court. For the purposes of this section the payment or receipt of rent for defense-area housing accommodations shall be deemed the buying or selling of a commodity, as the case may be. If any person selling a commodity violates a regulation, order, or price schedule prescribing a maximum price or maximum prices, and the buyer is not entitled to bring suit or action under this subsection, the Administrator may bring such action under this subsection on behalf of the United States. Any suit or action under this subsection may be brought in any court of competent jurisdiction, and shall be instituted within one year after delivery is completed or rent is paid. The provisions of this subsection shall not take effect until after the expiration of six months from the date of enactment of this Act.

(f) (1) Whenever in the judgment of the Administrator such action is necessary or proper in order to effectuate the purposes of this Act and to assure compliance with and provide for the effective enforcement of any regulation or order issued or which may be issued under section 2, or of any price schedule effective in accordance with the provisions of section 206, he may by regulation or order issued to or require of any person or persons subject to any regulation or order issued under section 2, or subject to any such price schedule, a license as a condition of selling any commodity or commodities with respect to which such regulation, order, or price schedule is applicable. It shall not be necessary for the Administrator to issue a separate license for each commodity or for each regulation, order, or price schedule with respect to which a license is required. No such license shall contain any provision which could not be prescribed by regulation, order, or requirement under section 2 or section 202; Provided, That no such license may be required as a condition of selling or distributing (except as waste or scrap) newspapers, periodicals, books, or other printed or written material, or motion pictures, or as a condition of selling radio time: Provided further, That no license may be required of any farmer as a condition of selling any agricultural commodity produced by him, and no license may be required of any fisherman as a condition of selling any fishery commodity caught or taken by him: Provided further, That in any case in which such a license is required of any person, the Administrator shall not have power to deny to such person a license to sell any commodity or commodities, unless such person already has such a license to sell such commodity or commodities, or unless there is in effect under paragraph (2) of this subsection with respect to such person an order of suspension of a previous license to the extent that such previous license authorized such person to sell such commodity or commodities.

(2) Whenever in the judgment of the Administrator a person has violated any of the provisions of a license issued under this subsection, or has violated any of the provisions of any

regulation, order, or requirement under section 2 or section 202 (b), or any of the provisions of any price schedule effective in accordance with the provisions of section 206, which is applicable to such person, a warning notice shall be sent by registered mail to such person. If the Administrator has reason to believe that such person has again violated any of the provisions of such license, regulation, order, price schedule, or requirement after receipt of such warning notice, the Administrator may petition any State or Territorial court of competent jurisdiction, or a district court subject to the limitations hereinafter provided, for an order suspending the license of such person for any period of not more than twelve months. If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no such suspension shall be for a period of more than twelve months. For the purposes of this subsection, any such proceedings for the suspension of a license may be brought in a district court if the licensee is doing business in more than one State, or if his gross sales exceed $100,000 per annum. Within thirty days after the entry of the judgment or order of any court either suspending a license, or dismissing or denying in whole or in part the Administrator's petition for suspension, an appeal may be taken from such judgment or order in like manner as an appeal may be taken in other cases from a judgment or order of a State, Territorial, or district court, as the case may be. Upon good cause shown, any such order of suspension may be stayed by the appropriate court or any judge thereof in accordance with the applicable practice; and upon written stipulation of the parties to the proceeding for suspension, approved by the trial court, any such order of suspension may be modified, and the license which has been suspended may be restored, upon such terms and conditions as such court shall find reasonable. Any such order of suspension shall be affirmed by the appropriate appellate court if, under the applicable rules of law, the evidence in the record supports a finding that there has been a violation of any provision of such license, regulation, order, price schedule, or requirement after receipt of such warning notice. No proceedings for suspension of a license, and no such suspension, shall confer any immunity from any other provision of this Act.

Saving Provisions

Sec. 206. Any price schedule establishing a maximum price or maximum prices, issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to the date upon which the Administrator provided for by section 201 of this Act takes office, shall, from such date, have the same effect as if issued under section 2 of this Act until such price schedule is superseded by action taken pursuant to such section 2. Such price schedules shall be consistent with the standards contained in section 2 and the limitations contained in section 3 of this Act, and shall be subject to protest and review as provided in section 203 and section 204 of this Act. All such price schedules shall be reprinted in the Federal Register within ten days after the date upon which such Administrator takes office.

TITLE III—MISCELLANEOUS

Quarterly Report

Sec. 301. The Administrator from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be.

Definitions

Sec. 302. As used in this Act—

(a) The term "sale" includes sales, dispositions, exchanges, leases, and other transfers, and contracts and offers to do any of the foregoing. The terms "sell", "selling", "seller", "buy", and "buyer", shall be construed accordingly.

(b) The term "price" means the consideration demanded or received in connection with the sale of a commodity.

(c) The term "commodity" means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines,

motion pictures, periodicals and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: Provided, That nothing in this Act shall be construed to authorize the regulation of (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (5) rates charged for any professional services.

(d) The term "defense-rental area" means the District of Columbia and any area designated by the Administrator as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of this Act.

(e) The term "defense-area housing accommodations" means housing accommodations within any defense-rental area.

(f) The term "housing accommodations" means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, hotels, rooming or boarding house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

(g) The term "rent" means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

(h) The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: Provided, That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or agency.

(i) The term "maximum price", as applied to prices of commodities means the maximum lawful price for such commodities, and the term "maximum rent" means the maximum lawful rent for the use of defense-area housing accommodations. Maximum prices and maximum rents may be formulated, as the case may be, in terms of prices, rents, margins, commissions, fees, and other charges, and allowances.

(j) The term "documents" includes records, books, accounts, correspondence, memoranda, and other documents, and drafts and copies of any of the foregoing.

(k) The term "district court" means any district court of the United States, and the United States Court for any Territory or other place subject to the jurisdiction of the United States; and the term "circuit courts of appeals" includes the United States Court of Appeals for the District of Columbia.

Separability

Sec. 303. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

Appropriations Authorized

Sec. 304. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this Act.

Application of Existing Law

Sec. 305. No provision of law in force on the date of enactment of this Act shall be construed to authorize any action inconsistent with the provisions and purposes of this Act.

Short Title

Sec. 306. This Act may be cited as the "Emergency Price Control Act of 1942."

Approved, January 30, 1942.

LAW: Procedural Regulation No. 1

Procedure for the Issuance, Protest and Amendment of Maximum Price Regulations

Pursuant to the authority of Sections 201(d) and 203(a) of the Emergency Price Control Act of 1942 (Public No. 421, 77th Cong., 2d Sess., Jan. 30, 1942), the following Rules are hereby prescribed for the issuance, protest and amendment of maximum price regulations, price schedules, and temporary maximum price regulations, and for adjustment or exception pursuant thereto and interpretation thereof:

Rule 1. Definitions. *As used in this Regulation unless the context otherwise requires—*

a. The term "Act" means the Emergency Price Control Act of 1942.

b. The term "Administrator" means the Price Administrator of the Office of Price Administration or such person as he may appoint or designate to carry out any of the duties delegated to him by the Act.

c. The term "Federal Register" means the publication provided for by the Act of July 26, 1935 (49 Stat. 500), as amended.

d. The term "maximum price regulation" means any regulation or order establishing a maximum price or prices as defined in Section 302(i) of the Act, except that the term shall not include a "price schedule" or "temporary maximum price regulation" as defined below.

e. The term "price schedule" means any price schedule establishing a maximum price or prices issued by the Administrator of the Office of Price Administration or the Administrator of the Office of Price Administration and Civilian Supply, prior to February 11, 1942, the date upon which the Administrator took office under the Act.

f. The term "temporary maximum price regulation" means any temporary regulation or order, issued pursuant to Section 2(a) of the Act, establishing as a maximum price or prices the price or prices prevailing with respect to any commodity or commodities within five days prior to the date of issuance of such temporary regulation or order.

g. The term "date of issuance," with respect to a maximum price regulation, means the date on which such maximum price regulation is filed with the Division of the Federal Register.

h. The term "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing.

i. The term "protestant" means a person subject to any provision of a maximum price regulation or price schedule who files a protest against such provision in accordance with Section 203 (a) of the Act.

j. The term "price hearing" means any formal or informal opportunity to present evidence which may be ordered by the Administrator in connection with any action or proceeding related to price control.

Issuance of Maximum Price Regulations

Rule. 2. *Investigation Prior to Issuance. A maximum price regulation may be issued by the Administrator after such studies and investigations as he deems necessary or proper. Before issuing a maximum price regulation the Administrator shall, so far as practicable, advise and consult with representative members of the industry which will be affected by such regulation.*

Rule 3. *Price Hearing Prior to Issuance. Whenever the Administrator deems it necessary or proper that a price hearing be held prior to the issuance of a maximum price regulation, he may provide for such hearing in accordance with Rules 4 and 5 of this Regulation.*

Rule 4. *Notice of Pre-Issuance Hearing. Notice of any price hearing ordered prior to the issuance of a maximum price regulation shall be given by publication of such notice in the Federal Register, and may be supplemented by notice given in any other appropriate manner. The notice shall state the time and place of the price hearing and shall contain an appropriate indication of the purposes of such hearing.*

Rule 5. *Conduct of Pre-Issuance Hearing. A price hearing held prior to the issuance of a maximum price regulation shall be conducted in such manner, consistent with the need for expeditious action, as will permit the fullest possible presentation of evidence by such persons as are, in the judgment of the Administrator, best qualified to provide information with respect to matters considered at the hearing or most likely to be seriously affected by action which may be taken as a result of the hearing.*

Rule 6. *Statement of Considerations. Every maximum price regulation shall be accompanied by a statement of the considerations involved in its issuance. Such statement may include economic data and other facts of which the Administrator has taken official notice and facts found by the Administrator as a result of action taken under Section 202 (a) of the Act.*

Rule 7. *Notice of Provisions of a Maximum Price Regulation. Notice of the provisions of a maximum price regulation shall be given by filing such regulation with the Division of the Federal Register. As soon as possible after the filing of such regulation, the Administrator shall make copies thereof available to the press.*

Rule 8. *Effective Date. A maximum price regulation shall become effective five days after the date of its issuance, unless an earlier or later date is specified therein.*

Protests

Rule 9. *Right to Protest. Any person subject to any provision of a maximum price regulation may file a protest against such provision in the manner set forth below. A person is, for the purposes of this Regulation, subject to a provision of a maximum price regulation only if such provision prohibits or requires action by him. Any protest filed by a person not subject to the provision protested may be dismissed by the Administrator.*

Rule 10. *Action by Representative. Any action which by this Regulation is required of, or permitted to be taken by, a protestant may, unless otherwise expressely stated, be taken on his behalf by any person whom the protestant has by written power of attorney authorized to represent him. Such power of attorney, signed by the protestant, shall be filed with the protest.*

Rule 11. *Time and Place for Filing Protests. Any protest against a provision of a maximum price regulation shall be filed with the Secretary, Office of Price Administration, Washington, D. C., within a period of 60 days after the date of issuance of such regulation, regardless of the effective date prescribed therein: Provided, however, that any protest based solely upon grounds arising after the expiration of 60 days after the date of issuance of a maximum price regulation may be filed at any time after the grounds for such protest arise.*

Rule 12. *Form of Protest. Every protest shall contain, upon the first page thereof, the number and the date of issuance of the maximum price regulation against a provision of which the protest is made. One original and four copies of the protest and of all accompanying documents and briefs shall be filed. Each copy shall be printed, typewritten, mimeographed or prepared by a similar process, and shall be plainly legible. Copies shall be double spaced, except that quotations shall be single-spaced and indented.*

Rule 13. *Assignment of Docket Number. Upon receipt of a protest it shall be assigned a docket number, of which the protestant shall be notified, and all further papers filed in the proceedings shall contain on the first page thereof the docket number so assigned and the number and date of issuance of the maximum price regulation protested.*

Rule 14. *Contents of Protest. Every protest shall set forth the following:*

a. The name and the post office address of the protestant, the nature of his business, and the manner in which the protestant is subject to the maximum price regulation protested.

b. The name and post office address of the person filing the protest on behalf of the protestant and the name and post office address of the person to whom all communications from the Office of Price Administration relating to the protest shall be sent.

c. A clear and concise statement of all objections raised by the protestant against the provision or provisions protested, each such objection to be separately stated and numbered.

d. A clear and concise statement of all facts alleged in support of the objections.

e. A statement of the relief requested by the protestant including, if the protestant requests modification of a provision of the maximum price regulation, the specific changes which he seeks to have made in the provision.

f. In cases where the protest is filed on grounds arising after the expiration of 60 days after the issuance of the maximum price regulation, a clear and concise statement of facts showing the time when such grounds arose.

g. A statement, signed and sworn to by the protestant personally, that the protest and the documents filed therewith are prepared in good faith and that the facts alleged are true to the best of his knowledge, information, and belief. The protestant shall specify which of the facts alleged are known to him to be true and which are alleged on information and belief.

Rule 15. *Affidavits or Other Written Evidence in Support of Protest. Every protestant shall file in conjunction with his protest the following:*

a. Affidavits setting forth in full all the evidence, the presentation of which is subject to the control of the protestant, upon which the protestant relies in support of the facts alleged in

the protest. Each such affidavit shall state the name, post office address, and occupation of the affiant; his business connection, if any, with the protestant; and whether the facts set forth in affidavit are stated from personal knowledge or on information and belief. In every instance, the affiant shall state in detail the sources of his information.

b. A statement by the protestant in affidavit form setting forth in detail the nature and sources of any further evidence, not subject to his control, upon which he believes he can rely in support of the facts alleged in his protest.

c. If necessary, a further statement setting forth the nature and sources of any evidence which the protestant is unable to present solely because of the time limited for the filing of protests and supporting material. Such further statement may contain a request for an opportunity to present such further evidence, which request shall state specifically the amount of time needed for preparation of such evidence.

Rule 16. *Submission of Brief by Protestant. The protestant may file with his protest and accompanying evidential material a brief in support of the objections set forth in the protest. Such brief shall be submitted as a separate document, distinct from the protest and evidential material.*

Rule 17. *Amendment of Protest and Presentation of Supplemental Evidence.*

a. Within a period of 60 days after the issuance of the maximum price regulation against a provision of which his protest is filed or, in the case of a protest properly filed more than 60 days after the issuance of a maximum price regulation, within 15 days after such protest is filed, the protestant may amend his protest or the affidavits and briefs submitted therewith, or may add to such material.

b. After the time prescribed in section (a) of this Rule, a protestant may be granted permission to amend his protest or to present further evidence in connection therewith, when, in the judgment of the Administrator, such permission will not unduly delay the completion of proceedings on the protest.

c. No amendment which adds a new ground of protest will be permitted.

Rule 18. *Protest and Evidential Material Not Conforming to the Foregoing Rules. In any case where a protest or accompanying evidential material does not conform, in a substantial respect, to the foregoing Rules of this Regulation, the Administrator may dismiss such protest.*

Rule 19. *Action by the Administrator on Protest.*

a. Within a reasonable time after the filing of any protest in accordance with the foregoing rules, but in no event more than 30 days after such filing or 90 days after the issuance of the maximum price regulation against a provision of which the protest is filed, whichever occurs later, the Administrator shall:

(1) grant or deny such protest in whole or in part;

(2) notice such protest for oral hearing, to be held in accordance with the provisions of Rules 23 to 31, inclusive, of this Regulation; or

(3) provide an opportunity to present further evidence in connection with such protest. Within a reasonable time after the presentation of such further evidence, the Administrator may notice such protest for oral hearing in accordance with subsection (2) of this section.

b. Notice of any such action taken by the Administrator shall promptly be served upon the protestant.

c. Where the Administrator has ordered a hearing on a protest or has provided an opportunity for the presentation of further evidence in connection therewith, he shall, within a reasonable time after the completion of such hearing or the presentation of such evidence, grant or deny such protest in whole or in part.

Rule 20. *Statements in Support of Maximum Price Regulation.*

a. Any person affected by the provisions of a maximum price regulation may at any time after the issuance of such regulation submit to the Administrator a statement in support of any such provision or provisions. Such statement shall include the name and post office address of such person, the nature of his business, and the manner in which such person is affected by the maximum price regulation in question, and may be accompanied by affidavits and other data. Each such supporting statement shall conform to the requirements of Rule 12 of this Regulation.

b. In the event that a protest has been, or is subsequently, filed to a provision of a maximum price regulation in support of which a statement has been submitted, the Administrator may include such statement in the record of the proceedings taken in connection with such

protest. If such supporting statement is incorporated into the record, and is not so incorporated at an oral hearing, copies of such supporting statement shall be served upon the protestant, and the protestant shall be given a reasonable opportunity to present evidence in rebuttal thereof.

Rule 21. *Inclusion of Material in the Record by the Administrator. The Administrator shall include in the record of the proceedings on the protest such evidence, in the form of affidavits or otherwise, as he deems appropriate in support of the provision against which the protest is filed. When such evidence is incorporated into the record, and is not so incorporated at an oral hearing, copies thereof shall be served upon the protestant, and the protestant shall be given a reasonable opportunity to present evidence in rebuttal thereof.*

Rule 22. *Consolidation of Protests. Whenever necessary or appropriate for the full and expeditious determination of common questions raised by two or more protests the Administrator may consolidate such protests.*

Oral Hearings on Protests

Rule 23. *Nature of Oral Hearing. In the event that the Administrator orders an oral hearing in connection with a protest, notice shall be served on the protestant not less than five days prior to such hearing. The time and place of the hearing shall be stated in the notice.*

Rule 24. *Conference Prior to Oral Hearing. At any time prior to the commencement of the oral hearing, the Administrator may request the protestant to appear at a conference to consider: (a) the simplification of issues; (b) the possibility of obtaining stipulations of fact and of documents which will avoid unnecessary proof; and (c) such other matters as may expedite the conduct of the oral hearing. No transcript of such conference shall be kept, but the Administrator shall incorporate in the record of the proceedings any written stipulations or agreements made at, or as a result of, the conference. If the circumstances are such that an oral conference is impracticable, the Administrator may direct that such negotiations be conducted by correspondence.*

Rule 25. *Continuance or Adjournment of Oral Hearing. The oral hearing shall be held at the time and place specified by the notice of hearing but may be continued or adjourned to a later day or to a different place. Notice of such adjournment or continuance may be by announcement at the oral hearing.*

Rule 26. *Conduct of the Oral Hearing.*

a. The oral hearing shall be conducted by the Administrator or such officer or employee of the Office of Price Administration (hereinafter referred to as the "presiding officer") as the Administrator may appoint or designate for that purpose. Any such appointment or designation may be made or revoked by the Administrator at any time.

b. The oral hearing shall be conducted in such manner as will permit the protestant to present evidence and argument to the fullest extent compatible with expeditious decision of the issues raised by the protest. To this end:

(1) The rules of evidence prevailing in courts of law or equity shall not be controlling;

(2) The presiding officer, having due regard to the need for expeditious decision and for fair treatment to all protestants, may restrict oral argument and the examination and cross-examination of witnesses; Provided, however, that in no event shall this section be taken to limit the right of any protestant to submit affidavits or other written evidence or arguments.

Rule 27. *Filing of Briefs. The presiding officer shall allow the protestant to file briefs or written arguments within such time as he shall designate.*

Rule 28. *Subpoenas.*

a. Applications for subpoenas, when made prior to the oral hearing, may be filed by the protestant with the Secretary. The Administrator may grant or deny the application or refer it to the presiding officer appointed or designated under Rule 26, who may thereafter grant or deny the application. Applications for subpoenas made during the oral hearing shall be submitted to the presiding officer, who may grant or deny such application.

b. All applications for subpoenas shall specify the name of the witness and the nature of the facts to be proved by him and, if calling for the production of documents, shall specify them with such particularity as will enable them to be identified for purposes of production.

c. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person and by tendering to him the fees and mileage specified in Section 202(f) of the Act. When the subpoena is issued at the instance of the Administrator fees and mileage need not be tendered.

Rule 29. *Witnesses. Witnesses summoned before the presiding officer at any protest hear-*

ing shall be paid the fees and mileage specified by Section 202(f) of the Act. Witness fees and mileage shall be paid by the person at whose instance the witness appears.

Rule 30. *Contemptuous Conduct. Contemptuous conduct at any oral hearing shall be ground for exclusion from the hearing. The refusal of a witness to answer any question which has been ruled to be proper shall, in the discretion of the presiding officer, be ground for the striking out of all testimony previously given by such witness on related matters.*

Rule 31. *Stenographic Report of Oral Hearing. A stenographic report of the oral hearing shall be made, a copy of which shall be available for inspection during business hours in the office of the Secretary, Office of Price Administration, Washington, D. C.*

Opinion and Transcript

Rule 32. *Opinion Denying Protest in Whole or in Part. In the event that the Administrator denies any protest in whole or in part, he shall inform the protestant of the grounds upon which such decision is based, and of any economic data and other facts of which the Administrator has taken official notice.*

Rule 33. *Treatment of Protest as Petition for Amendment or for Adjustment or Exception. Any protest filed against a provision of a maximum price regulation may, in the discretion of the Administrator, be treated not only as a protest but also as a petition for amendment of the regulation protested, or as a petition for adjustment or exception pursuant thereto, when the facts produced in connection with the protest justify such treatment.*

Rule 34. *Transcript for Judicial Review. The transcript for judicial review shall include: (1) the maximum price regulation against a provision of which the protest was filed; (2) the statement of considerations accompanying such regulation; (3) the protest; (4) a statement setting forth, as far as practicable, the economic data and other facts of which the Administrator has taken official notice; and (5) such other portions of the proceedings in connection with the protest as are material under the complaint.*

Petition for Amendment

Rule 35. *Right to File Petition. A petition for amendment may be filed: (1) by any person subject to any provision of a maximum price regulation who has failed to file a proper protest within the time specified in Rule 11; (2) by any other person subject to any provision of a maximum price regulation who proposes an amendment thereof; or (3) by any person who desires modification in any provision of a maximum price regulation by which he is affected but to which he is not subject within Rule 9 of this Regulation.*

Rule 36. *Method of Filing, Form, and Contents. A petition for amendment shall be filed with the Secretary, Office of Price Administration, Washington, D. C. and shall conform in all respects to the requirements set forth in Rule 12 of this Regulation. The petition shall state the name and post office address of the petitioner, shall specify the manner in which the petitioner is affected by the provision of the maximum price regulation involved, and shall include a specific statement of the particular amendment desired and the facts which make that amendment necessary or appropriate. The petition may be accompanied by affidavits setting forth the evidence upon which the petitioner relies in support of the facts alleged in his petition.*

Rule 37. *Action by the Administrator on Petition. In the consideration of any petition for amendment the Administrator may afford to the petitioner and to other persons likely to have information bearing upon such proposed amendment, or likely to be affected thereby, an opportunity to present evidence or argument in support of, or in opposition to, such proposed amendment.*

Petition for Adjustment or Exception

Rule 38. *Right to File Petition. A petition for adjustment or exception may be filed by any person subject to any provision of a maximum price regulation who requests such adjustment or exception pursuant to a provision of the maximum price regulation authorizing such action.*

Rule 39. *Method of Filing, Form, and Contents. A petition for adjustment or exception shall be filed with the Secretary, Office of Price Administration, Washington, D. C. and shall conform in all respects to the requirements set forth in Rule 12 of this Regulation. The petition shall state the name and post office address of the petitioner, and shall specify the manner in which the petitioner is affected by the provision of the maximum price regulation involved and the facts which justify his special classification pursuant to that regulation. The petition shall be accompanied by affidavits setting forth the evidence upon which the petitioner relies in support of the fact alleged in his petition.*

Rule 40. *Action by the Administrator on Petition. In the consideration of any petition for adjustment or exception the Administrator may afford to the petitioner such opportunity to*

present evidence or argument in support of the petition as is consistent with expeditious determination of the issues raised thereby.

Rule 41. *Protest of Denial of Petition. Any person whose petition for adjustment or exception is denied by the Administrator may, within 60 days after issuance of the order denying such petition, file a protest against such order. Such protest shall be filed and determined in accordance with the provisions of Rules 9 to 34, inclusive, of this Regulation.*

Price Schedules

Rule 42. *Effective Date of Price Schedule. Every price schedule issued by the Administrator of the Office of Price Administration or the Office of Price Administration and Civilian Supply prior to February 11, 1942, shall from such date have the same effect as if issued as a maximum price regulation under Section 2 of the Act until such price schedule is superseded or withdrawn.*

Rule 43. *Reprinting of Price Schedules. Every price schedule shall be reprinted in the Federal Register within 10 days after February 11, 1942; Provided, however, that such price schedule need not be accompanied by a statement of the considerations involved in its issuance.*

Rule 44. *Protest of Price Schedule.*

a. Any provision of a price schedule shall be subject to protest within a period of 60 days after February 11, 1942; Provided, however, that any protest based solely on grounds arising after the expiration of such 60 days may be filed at any time after the grounds for such protest arise.

b. A protest to a provision of a price schedule shall be filed, considered, and determined in the same manner as is provided for the protest of maximum price regulations by Rules 9 to 34, inclusive, of this Regulation.

Rule 45. *Amendment of Price Schedule and Adjustment or Exception Pursuant Thereto. Rules 35 to 37, and 38 to 41, of this Regulation, applicable to maximum price regulations, shall be applicable to petitions for amendment of, or adjustment or exception pursuant to, any price schedule.*

Temporary Maximum Price Regulations

Rule 46. *Effective Date of Temporary Maximum Price Regulation. A temporary maximum price regulation shall be effective from the date of the filing of such regulation with the Division of the Federal Register, unless a different date is specified in such regulation.*

Rule 47. *Protest of Temporary Maximum Price Regulation. A temporary maximum price regulation shall be subject to protest in the manner provided for the protest of maximum price regulations by Rules 9 to 34, inclusive, of this Regulation.*

Rule 48. *Amendment of Temporary Maximum Price Regulation and Adjustment or Exception Pursuant Thereto. Rules 35 to 37, and 38 to 41, of this Regulation, applicable to maximum price regulations, shall be applicable to petitions for amendment of, or adjustment or exception pursuant to, any temporary maximum price regulation.*

Interpretations

Rule 49. *Interpretations Not to be Given Orally. No interpretation of a maximum price regulation, price schedule, or temporary maximum price regulation shall be given except in writing, signed by the Administrator or such person as he may appoint or designate to make such interpretations.*

Rule 50. *Requests for Interpretation; Form and Contents. Any person desiring an interpretation of a maximum price regulation, price schedule, or temporary maximum price regulation may make a request in writing for such interpretation. Such request shall set forth in full the factual situation out of which the interpretative question arises and shall state the names and post office addresses of all persons involved. No interpretation shall be given with respect to any hypothetical situation or in response to any hypothetical question.*

Miscellaneous

Rule 51. *Service of Papers. Notices, orders and other processes and papers may be served personally or by leaving a copy thereof at the principal office or place of business of the person to be served; or by registered mail, or by telegraph. When service is made personally or by leaving a copy at the principal office or place of business, the verified return of the person serving or leaving the copy shall be proof of service. When service is by registered mail or telegraph the return post office receipt or telegraph receipt shall be proof of service.*

Rule 52. *Secretary; Office Hours. The office of the Secretary, Office of the Price Administration, Washington, D. C., shall be open, on week days, from 9 A.M. until 5 P.M. and on Sat-*

urdays from 9 A.M. until 1 P.M. Any person desiring to file any papers, to inspect any documents filed with the Secretary, at any time other than the regular office hours stated, may file a written application with the Secretary requesting permission therefor.

Rule 53. *Photostatic Copies of Material in the Administrative Record. Photostatic copies of any material included in the record of proceedings on any protest may be purchased by the protestant or other interested person at 10 cents per photostatic copy of each page.*

Rule 54. *Former Employee not to be Representative. No former officer or employee of the Office of Price Administration shall, within two years after the termination of his employment, be permitted to act as agent, attorney, or representative of any person in connection with any protest, petition for amendment, petition for adjustment of exception, or other proceeding before the Office of Price Administration.*

Rule 55. *Amendment of this Regulation. Any provision of this Regulation may be amended or rescinded by the Administrator at any time. Such amendment or recision shall be published in the Federal Register and shall take effect upon the date of its publication, unless otherwise specified therein.*

Issued this 12th day of February, 1942.

LEON HENDERSON, Administrator.

S·185. Typical clauses in Price Schedules. The following form is made up of standard clauses appearing in Price Schedules. A specific schedule may contain one or more of these typical clauses:

Price Schedule No. . . .

I

Enforcement. In the event of refusal or failure to abide by the price limitations, record and report requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will invoke all appropriate sanctions at its command, including taking action to see (a) that the Congress and the public are fully informed thereof, and (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interest of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities failures to comply with this Schedule which may be regarded as grounds for the revocation of licenses and permits; and (d) that the procurement (and other) services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of....., or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.

II

Modification of the Schedule. Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: *Provided,* That no application under this section will be considered unless filed by persons complying with this Schedule.

S·186. Typical clauses in Maximum Price Regulations and Temporary Maximum Price Regulations. The following form is made up of standard clauses appearing in Price Regulations. A specific regulation may contain one or more of these typical clauses:

Maximum Price Regulation No ...
or Temporary Maximum Price Regulation No ...

I

Conditional Agreements. No seller of ....shall enter into an agreement permitting the adjustment of the prices to prices which may be higher than the maximum prices provided by Section ....., in the event that this Maximum Price Regulation No. ..... (or Temporary Maximum Price Regulation No. .....) is amended or is determined by a court to be invalid or upon any other contingency: *Provided,* That if a petition for amendment (or for adjustment or for exception under: "Petitions for Amendment" Section) has been duly filed, and such petition requires extensive consideration, and the Administrator determines that an exception would be in the public interest pending such consideration, the Administrator may grant an exception from the provisions of this Section permitting the making of contracts adjustable upon the granting of the petition for amendment (or for adjustment or exception, as the case may be). Requests for such an exception may be included in the aforesaid petition for amendment (or for adjustment or for exception under: "Petitions for Amendment" Section).

II

Evasion. The price limitations set forth in this Maximum Price Regulation No. ..... (or Temporary Maximum Price Regulation No. .....) shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, or delivery of (purchase or receipt of) relating to ..... alone or in conjunction with any other commodity or by way of commission, service, transportation, or other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or otherwise.

III-a

Enforcement. (a) Any person who wilfully violates any provision of this Maximum Price Regulation No. ....., and any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed pursuant to this Maximum Price Regulation No. ..... or any regulation or order issued by the Office of Price Administration under Section 2 or Section 202 of the Emergency Price Control Act of 1942, shall be subject to all civil and criminal penalties provided for by said Act, and the United States Criminal Code.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 106 or any other regulation or order issued by the Office of Price Administration or of any acts or practices which constitute or will constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

III-b

Enforcement. (a) Persons violating any provision of this Maximum Price Regulation No. ..... (or Temporary Maximum Price Regulation No. .....) are subject to the criminal penalties civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

Copyright, April 8, 1942, Research Institute.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. ..... (or Temporary Maximum Price Regulation No. .....) or any price schedule, regulation or order issued by the Office of Price Administration or of any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

IV

Petitions for Amendment. Persons seeking any modification of any provision of this Maximum Price Regulation No. ..... (or Temporary Maximum Price Regulation No. .....) or an adjustment or exception not provided for therein may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.

V

Less than Maximum Prices. Lower prices than those set forth in this (Temporary) Maximum Price Regulation No. ..... may be charged, demanded, paid or offered.

Recent Developments

S·6,001. Don't withhold earning records from OPA. The Secretary of the Treasury has ruled that OPA officials have the right to inspect and to copy corporation statistical transcript cards prepared by the Bureau of Internal Revenue from corporation income and declared value excess profits tax returns from 1935 up to 1941. The only restriction imposed on OPA is that the name or address of the corporate taxpayers may not be disclosed.

recommendation: Business men have hesitated to volunteer information to OPA about their profit and loss statements for past years. In connection with voluntary agrements, the Price Administrator has almost always requested that they be submitted as a basis for further investigations and studies. It is good business judgment to cooperate and submit all statements required by OPA. If you feel, however, that statements for past years do not properly reflect your operating conditions, you may file additional detailed statements showing cost and operating conditions which give the true picture.

S·6,002. Exceptions to voluntary price agreements. In requesting manufacturers of certain paper products to sign voluntary agreements to maintain prices at October 1 to October 15, 1941 levels, the Price Administrator has pointed out that manufacturers may note exceptions to their agreement.

recommendation: If your industry is requested to sign a voluntary price agreement and you find it possible to accept such an agreement for the bulk of your production, do not hesitate to sign it. If circumstances compel you to limit your acceptance of the agreement, be sure that you note your exceptions on your copy and set forth your reasons for the requested exceptions. In this way, you will have expressed your willingness to cooperate, while at the same time opening the door to further negotions with OPA for special treatment to fit your unusual conditions.

S·6,003. Conditional Agreements. All temporary maximum regulations issued so far expressly prohibit the inclusion of conditional agreements under which price adjustments can be made in case the regulation is amended or held invalid by a court. Almost all temporary regulations prescribe that prices prevailing during a 5-day period prior to the issuance of the regulation must not be exceeded. Under certain conditions, this might mean undue hardship for you, particularly if you have to replenish your inventory at higher cost or your prices during the base period have been abnormally low.

recommendation: The temporary price regulations provide a definite procedure by which you can obtain relief in such cases:

(1) File a petition for amendment or exception with OPA setting forth your reasons in detail. (See ¶s S·135 and S·175)

(2) Include in your petition the request that OPA permit you to sell at whatever prices OPA determines in acting on your petition.

(3) When OPA grants your petition, you may then make the necessary price adjustments with your customers.

S·6,004. Modification provisions in Price Schedules No. 1 to 105 amended. By a formal order, the modification provisions in all schedules issued up to the passage of the Emergency Price Control Act have been re-stated as follows:

"*Section .... Petitions for Amendment.* Persons seeking any modification of this Revised Price Schedule No. ..... or an adjustment or exception not provided for therein may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration."

S·6,005. Export sales of price-ceiled commodities. In view of misunderstandings in the trade about the application of maximum prices to export sales the Price Administrator stated that both domestic and export sales are covered unless a specific exception is contained in the price regulation.

recommendation: A number of price regulations specifically provide additions that may be made to the maximum price for sales by export agents or

Copyright, April 8, 1942, Research Institute.

export merchants. In the absence of such specific provisions petitions for amendment, for adjustment or exception may be made if an exporter feels that export sales as such, or his sales in particular, deserve special treatment.

recommendation: If no special margin is granted, exporters must purchase at a discount below the ceiling sufficient to cover all their costs, or must get their commission from the foreign importers. Storage is the most important cost to the exporter; to reduce this item exporters should strive for a quick turnover by making their contract of sale before negotiating the purchase.

S·6,006. Government purchases and price control. In an official interpretation OPA stated that the maximum prices are applicable to sales to the Federal Government, a State, and Agencies, including deliveries according to contracts outstanding on the effective date of the schedule or price regulation, unless the regulation itself makes different provision.

S·6,007. Sales in bankruptcy proceedings subject to price limitations. OPA has ruled that sales of assets in bankruptcy proceedings are subject to those price schedules or regulations which are applicable to the assets sold.

S·6,008. Affirmations of compliance eliminated. Under an order effective March 13, 1942, provisions requiring the filing of affirmations of compliance have been removed from all price schedules. This requirement appears no longer necessary because all schedules are enforceable under the new statute. Affirmations of compliance must, however, continue to be filed where they are called for by individual agreements, "freeze" letters or other informal actions or arrangements of OPA.

S·6,009. Enforcement sections made uniform in all schedules. By a formal order the enforcement sections of all price schedules issued up to Emergency Control Act have been made uniform. The text of this uniform enforcement section appears in S·186(III)b.

S·6,010. Voluntary price agreement not in violation of antitrust laws. With the enactment of the Emergency Price Control Act the threat of antitrust prosecution against voluntary agreements made by industries and OPA has been removed. The previous requirements that such action must be taken only under consultation with the Attorney General is now eliminated. The Attorney General will merely be furnished with a copy of the agreement after it has been entered into. The Administrator pointed out that the protection afforded to voluntary agreements is now statutory.

General Comment

Vf·1. Iron and steel and ferrous alloys in defense. All branches of the iron and steel industry are very deeply involved in defense. Pig iron and steel are under strict priority control. Tungsten, vanadium and calcium-silicon, all important in production of ferrous alloys, are under allocation. Nickel bearing steel is also under allocation.

A new demand generated by defense and priority control makes widespread price control in the iron and steel industry inevitable. Iron and steel scrap and iron and steel products are under price ceilings.

Priority and price control in the iron and steel industry is an exceedingly complicated matter. Unusual and peculiar trade practices have to be taken into consideration. For example, the iron and steel product priority program has made special provision for warehousing, and price control schedules in the iron and steel industry have taken cognizance of the basing point system. In order fully to control the prices of this industry, a very elaborate schedule of differentials, or prices for products which vary from the basic types, has to be worked out. The place of middlemen in this industry is a delicate problem in price control as well as priorities.

Vf·2. Antitrust Division charges steel scrap monopoly on prices. Acting Attorney General Francis Biddle announced August 4, 1941, that an immediate investigation into possible violations of the antitrust laws in the scrap iron and steel industry would be undertaken as the result of information certified to the Department by OPACS. This information was certified to the Department under the procedure established by the Attorney General in his letter to Mr. Henderson dated May 16, 1941 (see ¶ S·7). The investigation will be conducted by the Federal Bureau of Investigation and the Antitrust Division.

In information made available to the Department, it was alleged that approximately 15 large brokers have secured control of 90% of the supply of iron and steel scrap and that in some instances a single broker has secured a virtual monopoly of all iron and steel scrap in certain large areas. As a consequence of this control, it is alleged that the prices of iron and steel scrap have been artificially increased, the orderly flow of scrap has been seriously impaired, and unnecessary difficulties have been placed in the way of making the existing supply of scrap readily available.

This investigation is the first instance of cooperation between the Office of Price Administration and Civilian Supply and the Department of Justice under the procedure established in the letter which the Attorney General sent to Mr. Henderson on May 16, 1941. It is believed that such cooperation will afford a method of preventing alleged artificial price increases in important defense materials.

The following is the text of correspondence between Mr. Henderson and Mr. Biddle:

July 31, 1941

THE HONORABLE
THE ATTORNEY GENERAL,
Department of Justice, Washington, D. C.

Dear Mr. Attorney General:

Your letters of April 29, 1941, and May 16, 1941, formulate the policies which your Department proposes to follow in your relations with this Office in order that coordination of effort may be obtained in carrying out the policy of the President to avert undue price rises, and that the efforts of each may supplement the other. To this end, your letter of May 16, 1941, suggested the method by which the enforcement machinery of the Department of Justice could be utilized in appropriate cases. According to information in our possession, methods and devices are being utilized by dealers and brokers in iron and steel scrap which are probable violations of the antitrust laws and related statutes. These abuses have, in our opinion, artificially raised prices above those established under Price Schedule No. 4, issued by this Office on April 3, 1941, and have curtailed the supply of scrap. I am, therefore, writing this letter to certify the information, summarized below, as to probable violations of the antitrust laws.

We are informed that there are approximately fifteen large brokers of iron and steel scrap who supply all the steel mills, the principal consumers of scrap, with approximately 90% of their needs. These brokers in turn obtain their scrap supply through dealers who purchase from sub-dealers and so on down the line to the producer of the scrap. It is my understanding that certain of these brokers and dealers have subsidized secretly other dealers and sub-dealers, sometimes as many as a hundred or more. In this way a single broker has, in some instances, achieved a monopoly over all of the scrap produced in an entire region. This control over the supply of scrap has been utilized as a means for enhancing scrap prices. Inasmuch as the increased production for defense has been a serious drain upon the supply of iron and steel scrap, these subsidies, secretly maintained, have enabled certain brokers and dealers to impose upon the consumer scrap at these excessive prices. Such a dealer or broker has thus been able to create a structure which permits arbitrary control over price, manipulation of scrap supply and degradation of its quality. Furthermore, the control thus exercised through these combinations has, by inviting the expectation of increased prices, encouraged the hoarding of iron and steel scrap, and thus seriously shortened an already reduced supply.

I request that, in accordance with your letter, you will, through the Department of Justice, give this matter priority of investigation, and will at once begin investigation by the Federal Bureau of Investigation, the staff of the Antitrust Division and, if appropriate, by grand jury. This will aid our joint effort to strengthen civilian protection and achieve a greater stability for our economic structure during this period of exceptional strain.

Sincerely,

LEON HENDERSON,
Administrator.

August 1, 1941

MR. LEON HENDERSON,
Office of Price Administration and Civilian Supply,
Washington, D. C.

Dear Leon:

In accordance with your request of July 31, I have authorized the Antitrust Division and the Federal Bureau of Investigation to begin immediately an investigation of possible violations of the antitrust laws in the iron and steel scrap industry.

Sincerely yours,

FRANCIS BIDDLE,
Acting Attorney General.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Pig Iron—Allocation

Vf·100. Importance of pig iron. Pig iron is the term applied to iron produced by the reduction of iron ore in a blast furnace. The iron so produced may be used to make iron castings or other pig iron products, or may be converted into steel by the usual refining and purification processes. Steel making, of course, is the major use for pig iron. When used for making steel, the pig iron is usually mixed in the furnace with varying quantities of steel scrap. Pig iron is absolutely essential for the steel industry and steel could not be produced successfully in sufficiently large quantities without it. In the iron and steel industry, pig iron is produced both by some steel companies and by merchant blast furnaces. The merchant furnaces do not make steel themselves but sell the pig in the open market, as do some other producers.

During recent months, however, following the impact of the defense program, the demand for pig iron has greatly increased, both for foundry purposes and for steel-making purposes, and the amount available on the open market has diminished. Scrap also has become scarce. The net result of this trend is that some steel plants and foundries which have to buy pig iron on the market have not been able to obtain enough of the product to meet their defense requirements and their most essential civilian needs. This is the basic reason for the order regulating pig iron. It is essential that the product be distributed in such a way that any steel plant or foundry with defense work gets enough to fulfill its defense and essential civilian requirements, whether these requirements are for steel products or for cast iron products. Under the order, by directing the deliveries of certain amounts of iron each month, by controlling shipping schedules between suppliers and customers, and by requiring that defense orders be filled first, the Director of Priorities can make sure that all defense orders are given adequate priority.

Vf·101. Full priority control on pig iron by General Preference Order No. M-17. Pig iron was put under full priority control on August 1, 1941, in General Preference Order No. M-17. The order was designed as a further step by the Priorities Division to make sure that iron and steel products flow promptly to defense channels. The order states that producers will be required to set aside stipulated quantities of pig iron each month in an emergency pool, for special allocation, and also provides that schedules of pig iron shipments to customers must be approved by the Priorities Division. By directing deliveries of pig iron, both from the emergency pool and in accordance with the usual priority ratings, the Director can make sure that pig iron goes to iron foundries and steel plants and other consumers in quantities necessary to fulfill defense requirements. While the order does not constitute any additional priority control over steel, it does provide control over the pig iron which is the major part of that steel. At present, the pig iron and steel scrap used in the production of steel are divided about as follows: 56% pig iron and 44% scrap.

observation: The new control will make it possible to do two things:

(1) To see to it that foundries get enough pig iron to produce their defense orders for castings and other products;

(2) To regulate the distribution of pig iron among steel plants in such a way as to make sure that all steel plants with defense orders can fill them.

Vf·102. Provisions of General Preference Order No. M-17. The pig iron order (M-17 to "Conserve the Supply and Direct the Distribution of Pig Iron") has seven main points:

1. All defense orders (Army, Navy, British, etc.) carry a preference rating of A-10 unless higher ratings are specifically assigned.

2. Defense orders must be accepted in preference to and given priority over non-defense orders.

3. During each month, beginning with September, 1941, each producer of pig iron must set aside a quantity to be specified by the Director of Priorities. The total amount thus set aside will form an emergency pool, out of which the Director may make allocations for the following month to meet emergency needs.

4. Beginning on August 1, 1941, any customer ordering pig iron must do so on a special form in accordance with instructions from the Director.

5. Each producer of pig iron is required to submit before the fifteenth of each month a proposed shipment schedule of pig iron for the following month, not including the pig iron withheld for allocation. Beginning September 1, 1941, no shipments may be made to any person unless these shipments have been approved on the schedule or unless special provisions have been made by the Director of Priorities.

6. In regulating the distribution of pig iron for non-defense purposes, the Director of Priorities will be guided by any Civilian Allocation Program promulgated by the Office of Price Administration and Civilian Supply.

7. The order contains provisions designed to prevent the building up of excess inventory.

observation: It is the intention of the order that all persons using pig iron and scrap in their products shall hereafter maintain substantially the same ratio of iron and scrap as has been their former practice so that no undue burden will be put on the available supply of pig iron. Any radical departure from past production practices in this respect, which cannot be justified, may be subject to further action by the Director of Priorities.

observation: The portion of all producers' monthly output, which under this order is to be delivered only upon specific directions of the Director of Priorities, will be held to a minimum compatible with defense needs. In practically every instance it will be very much less than the amount of pig iron which those producers known as integrated steel companies have regularly sold in the open market. It is not to be inferred by the producers that the percentage of pig iron so withheld is to represent the total amount of pig iron which they will offer for sale on the open market. It is intended that all integrated companies will continue

Copyright, October 17, 1941, The Research Institute of America, Inc.

to carry their regular merchant load as in past years and thereby eliminate the necessity of directing the pig iron withheld away from any of these producers.

recommendation: Any question which may arise in connection with compliance with the terms of the pig iron priorities order should be addressed to: Mr. A. D. Whiteside, Chief, Iron and Steel Section Office of Production Management Social Security Building, Washington, D. C.

Vf·103. Text of General Preference Order No. M-17. The following is the text of General Preference Order No. M-17, issued August 1, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 947—PIG IRON

General Preference Order M-17

To Conserve the Supply and Direct the Distribution of Pig Iron

WHEREAS, the national defense requirements have created a shortage of pig iron, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

947.1 *GENERAL PREFERENCE ORDER* (a) *Definition.* For the purposes of this Order:

(1) "Pig Iron" means and includes iron produced by smelting iron ore in a blast furnace and having a content of silicon of less than five (5) per cent, in the grades and chemical compositions specified in Section 1 of the Steel Products Manual, American Iron and Steel Institute, published May, 1941.

(2) "Person" means and includes any individual, partnership, association, corporation, or other form of business enterprise.

(3) "Producer" means and includes any person producing pig iron as hereinbefore defined.

(4) "Defense Order" means:

(i) Any contract or order for products to be delivered to, or for the account of:

1. The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development;
2. The Government of Great Britain and the government of any other country whose defense the President deems vital to the defense of the United States under the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States."

(ii) Any other contract or order to which the Director of Priorities assigns a preference rating of A-10 or higher. (Such ratings will be assigned only to contracts or orders which the Director of Priorities shall deem necessary or appropriate to promote the defense of the United States.)

(iii) Any contract or order placed or offered by any person for the delivery of any material or equipment needed by him to fulfill his contracts or orders on hand, which material or equipment is required for the fulfillment of any contracts or orders included under (i) and (ii), above.

(b) *Directions as to Deliveries.* Deliveries of pig iron by any producer shall be made only in accordance with the following directions:

(1) *A-10 Assigned to Certain Defense Orders.* Deliveries under all Defense Orders to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

(2) *Sequence of Preference Ratings.* Preference ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10, etc., AA being the highest rating presently assigned.

(3) *Doubtful Cases.* Whenever there is doubt as to the preference rating applicable to any delivery, or as to whether a particular order is a Defense Order, the matter is to be referred to the Division of Priorities for determination, with a statement of all pertinent facts.

(4) *Sequence of Deliveries.*

(i) Every delivery under a Defense Order shall be made in preference to deliveries under other orders whenever, and to the extent, necessary to fulfill the delivery schedule provided in the Preference Rating Certificate covering such delivery, or in the contract or purchase order if no Certificate has been issued. Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure those deliveries bearing higher preference ratings, even though such deferment may cause defaults under existing contracts or purchase orders. Each person who has Defense Orders on hand must so schedule his production and deliveries that deliveries under Defense Orders will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings.

(ii) The sequence of deliveries bearing the same preference rating shall be governed by the delivery dates specified in the respective Preference Rating Certificates assigned thereto, or if the ratings were assigned by Order or direction of the Director of Priorities, but no Certificates were issued, then by the dates specified in the contracts or purchase orders. In any case where both preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the matter is to be referred to the Division of Priorities for determination.

(5) *Delivery Schedules.* No earlier delivery date shall be specified in any Defense Order than required by the production or delivery schedules of the person placing the Defense Order. No preference rating will be assigned to any contract or purchase order specifying delivery dates earlier or quantities greater than required by the production or delivery schedules of the person placing the contract or purchase order.

(6) *Acceptance of Defense Orders.* Defense Orders for pig iron, whether or not accompanied by a Preference Rating Certificate, must be accepted and fulfilled in preference to any other contracts or purchase orders for such material, subject to the following provisions:

(i) The pig iron ordered must be of the kind usually produced or currently being produced by the person to whom the Defense Order is offered.

(ii) The person offering the Defense Order must be willing and able to meet regularly established prices and terms of sale, but there shall be no discrimination against Defense Orders in establishing such prices or terms of sale.

(iii) Defense Orders shall be accepted even if acceptance will render impossible, or result in deferment of, deliveries under nondefense orders previously accepted.

(iv) Defense Orders shall be accepted even if acceptance will render impossible, or result in deferment of, deliveries under Defense Orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities.

(v) Defense Orders need not be accepted if deliveries on schedule thereunder would be impossible by reason of the requirements of Defense Orders previously accepted

Copyright, October 17, 1941, The Research Institute of America, Inc.

bearing higher or equal preference ratings, unless such acceptance is specifically directed by the Director of Priorities.

(vi) Defense Orders specifying delivery within twenty-one days need not be accepted, if compliance with the specific delivery dates would require the termination before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated or altered without substantial loss to the producer.

(7) *Rejected Orders and Deferred Deliveries.* When a Defense Order for pig iron has been rejected or delivery thereunder has been unreasonably or improperly deferred in violation of this Order, the person seeking to place such order to obtain such delivery may file with the Division of Priorities a verified report in the form to be prescribed by the Division of Priorities, setting forth the facts in connection with the rejection or deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the person against whom complaint is made to submit a sworn statement, setting forth the circumstances concerning the alleged rejection or deferment. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.

(8) *Use of Material Obtained Under Allocation or Preference Rating.* Any person who obtains a delivery of pig iron under an order or specific direction of the Director of Priorities, or a delivery of pig iron bearing a preference rating, must use such material, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the Order, direction, or rating.

(9) *Effect of Order: Damages.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply to all deliveries made after the effective date of this Order, including deliveries under contracts or purchase orders accepted either prior or subsequent to the effective date of this Order. No person shall be held liable for damages or penalties for any default under any contract or purchase order which results directly or indirectly from his compliance with this Order.

(10) *Inventory Restriction.* No person shall accept deliveries of pig iron as long as the inventory of such material in the hands or under the control of the person placing a purchase order therefor is sufficient to enable such person, on the basis of a reasonable method and rate of operation, to meet required deliveries of his products.

(11) *Deliveries of Pig Iron by Others Than Producers.* No person other than a producer shall make delivery of pig iron from his inventory thereof to any customer, and no person shall accept delivery thereof except from a producer, without having first obtained the express authority of the Division of Priorities.

(c) *Customers' Orders.* After August 1, 1941, no producer shall accept a purchase order for pig iron or deliver any pig iron unless and until an APPLICATION FORM covering the same in the manner and form prescribed from time to time by the Division of Priorities shall have been filed with the producer.

(d) *Withheld Deliveries.*

(1) During the month of September and each calendar month thereafter, each producer shall withhold from his monthly production of pig iron such portion thereof as may be determined and specified from time to time by the Director of Priorities. From the amounts so withheld, deliveries shall be made only upon express direction of the Director of Priorities.

(2) On or before the twenty-third (23d) day of each calendar month, the Director of Priorities will direct each producer to make deliveries in the subsequent month of pig iron withheld pursuant to paragraph (d)(1) hereof or an equivalent of such pig iron. If any producer does not receive such direction as to any part of such pig iron on or before said date, he may dispose of the same in accordance with the other directions of this Order.

(3) Deliveries of the amounts so withheld will be directed first in order to insure satisfaction of all defense requirements of the United States, both direct and indirect. Any directions issued as to distribution of the residual supply of pig iron after the satisfaction of all

such requirements, will be made in accordance with such program as the Office of Price Administration and Civilian Supply may determine.

(e) *Delivery Schedules.* On or before the fifteenth (15th) day of each calendar month, commencing August 15, 1941, each producer shall file with the Division of Priorities a schedule of his proposed shipments of pig iron during the next succeeding calendar month, excluding from such schedule of shipments the pig iron withheld under the provision of paragraph (d), above. On and after September 1, 1941, except as may be otherwise specifically authorized by the Director of Priorities, no shipment of pig iron shall be made by a producer to any person unless and until such shipment shall have been scheduled and reported as required by the provisions of this paragraph, and such schedule shall have been approved by the Director of Priorities. Subject to the provisions of paragraph (b), above, pig iron which has been so scheduled by a producer for use in the manufacture of steel may be used for that purpose unless specifically disapproved by the Director of Priorities.

(f) *Intra-Company Deliveries.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division, or section of a single business enterprise to another branch, division, or section of the same or any other business enterprise owned or controlled by the same person.

(g) *Records.* All perons affected by this Order shall keep and preserve for a period of not less than two years accurate and complete records of their inventories of pig iron, and of the details of all transactions in such material. Such records shall include the dates of all contracts or purchase orders accepted, the delivery dates specified in such contracts or purchase orders, and in any Preference Rating Certificates accompanying them, the dates of actual deliveries thereunder, description of the material covered by such contracts or purchase orders, description of deliveries by classes, types, quantities, weights, and values, the parties involved in each transaction, the preference ratings, if any, assigned to deliveries under such contracts or purchase orders, details of all Defense Orders either accepted or offered and rejected, and other pertinent information.

(h) *Audit and Inspection.* All records required to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.

(i) *Reports.* All persons affected by this Order shall execute and file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request. No reports or questionnaires are to be filed by any person until forms therefor are prescribed by the Office of Production Management.

(j) *False Statements.* Any person who wilfully falsifies any records required to be kept by the provisions of this Order, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management, and any person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of pig iron. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C. 80).

(k) *Appeal.* Any person affected by this Order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him, may appeal to the Division of Priorities by addressing a letter to the Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C., setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

(l) *Notification of Customers.* Any person who is prohibited from or restricted in, making deliveries of pig iron by the provisions of this Order shall, as soon as practicable, notify each of his regular customers of the requirements of this Order but the failure to give such notice shall not excuse any customer from the obligation of complying with the terms of this Order.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(m) *Effective Dates.* This Order shall take effect on the 1st day of August, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; sec. 2(a), Public No. 671, 76th Congress, sec. 9, Public No. 783, 76th Congress.)

Issued this 1st day of August, 1941.

E. R. STETTINIUS, Jr.,
Director of Priorities.

Vf·104. Form PD-69—Report of customer's pig iron order for shipment during any one month. The following is the text of Form PD-69, a report of customer's pig iron order for shipment during any one month, to be filled out in quadruplicate:

PD-69

ORIGINAL

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH
WASHINGTON, D. C.

CUSTOMER'S PIG IRON ORDER FOR SHIPMENT DURING MONTH OF ....., 194....

(See attached instructions before filling out form)

NOTE.—Producers' monthly shipment schedules are confined to orders placed with the producers on or before the fifth day of the month preceding the month during which shipment is required.

To _____
(Name of producer)

_____
(Producer's address)

From _____ _____
(Name of customer) (Date of order)

_____ _____
(Customer's address) (Customer's order number)

_____
(Plant in which iron will be used)

PREFERENCE RATINGS (1)	GRADE OF PIG IRON (2)	QUANTITY IN GROSS TONS (3)	ULTIMATE USE (4)

(Continued on reverse) 16—82885

Copyright, October 17, 1941, The Research Institute of America, Inc.

PIG IRON—ALLOCATION

PF Vf-104

(Continued from front)

Preference Ratings (1)	Grade of Pig Iron (2)	Quantity in Gross Tons (3)	Ultimate Use (4)

(Attach supplemental typewritten statement, if necessary)

STATE OF .....
} ss:
COUNTY OF .....

The undersigned, being duly sworn, deposes and says that: (1) he executed the foregoing instrument on behalf of and by authority of the above-named customer; (2) the facts stated therein are, to the best of his knowledge and belief, true and correct; (3) the customer has not placed an order for pig iron for delivery in the same month which would be a duplication for the same purposes.

Sworn to before me this ..... day of ....., 194...

.....
Notary Public.

My commission expires .....

.....
(Signature of authorized official)

.....
(Title)

U. S. GOVERNMENT PRINTING OFFICE 16—22025

Vf·105. Pig iron pool for September, 1941. The Director of Priorities, on August 14, 1941, instructed all producers of pig iron to set aside 2% of their production during the month of September, 1941 in a pool out of which allocations could be made to fulfill urgent needs. The 2% pool for September was expected to amount to between 90,000 and 100,000 tons. The instruction was given to pig iron producers in the following letter:

"To All Producers of Pig Iron:

"Re: Withheld Deliveries of Pig Iron for September, 1941.

"Pursuant to paragraph (d) of General Preference Order M-17 (947.1), the Director of Priorities has determined that during the month of September, 1941, each producer of pig iron shall withhold two percent (2%) of his production of pig iron for said month, from which deliveries shall be made only upon express direction of the Director of Priorities.

"As indicated in my letter of August 1st, which accompanied Order M-17, it is believed that this percentage represents the minimum compatible with defense needs, and that it is substantially less than the amount of pig iron which the integrated steel companies have regularly sold in the open market. Accordingly, it is not to be inferred by such companies that the withheld percentage is to represent the total amount of pig iron which they will offer for sale on the open market. It is intended that all integrated companies will continue to carry their regular merchant load as formerly.

"Accordingly, you are hereby directed to withhold during the month of September, 1941, two percent (2%) of your production of pig iron for delivery in accordance with such further directions of the Director of Priorities as may be made pursuant to General Preference Order M-17.

Very truly yours,
E. R. STETTINIUS, Jr.,
Director of Priorities."

Vf·106. Form PD-70—customer's monthly report of inventory and consumption of pig iron. The following is the text of Form PD-70, customer's monthly report of inventory and consumption of pig iron:

Copyright, October 17, 1941, The Research Institute of America, Inc.

FORM PD-70—CUSTOMER'S MONTHLY REPORT OF INVENTORY AND CONSUMPTION OF PIG IRON

CONFIDENTIAL—For use of Federal Government Defense Agencies only

OFFICE OF PRODUCTION MANAGEMENT—Iron and Steel Branch—Washington, D. C.

CUSTOMER'S REPORT OF INVENTORY AND CONSUMPTION OF PIG IRON

Report for month of ..... 194...

To be filed by each user of pig iron on or before the fifteenth day of each month with the Iron and Steel Section of the Office of Production Management. A separate report should be prepared for each plant. A report must be filed each month whether or not pig iron is ordered in that month.

Name of Customer .....Address.....

.....

Location of Plant Covered by This Report

1. Stocks of pig iron and scrap, first day of current month (including on hand, in transit to plant, in storage elsewhere)
   (a) Pig iron .....gross tons
   (b) Scrap (purchase and home produced) .....gross tons
2. Pig iron and scrap promised for delivery during current month (including home produced scrap)
   (a) Pig iron .....gross tons
   (b) Scrap—Total .....gross tons
   Purchased .....gross tons
   Home Produced .....gross tons
3. Actual Consumption of Pig Iron and Scrap during previous month
   (a) Pig iron .....gross tons
   (b) Scrap (including home produced) .....gross tons
4. Estimated total consumption during current month
   (a) Pig iron .....gross tons
   (b) Scrap (purchased and home produced) .....gross tons
5. Estimated stocks of pig iron and scrap, last day of current month (Item 1 plus item 2 less item 4)
   (a) Pig iron .....gross tons
   (b) Scrap (purchased and home produced) .....gross tons
6. Inventories of finished castings and other products, first day of current month .....net tons
7. Names of suppliers of pig iron from whom you expect to receive shipments during current month

	gross tons of pig iron promised for delivery in current month
.....	.....

If necessary show additional Suppliers on reverse side
Total (should equal item 2a above) .....

State of .....
County of ..... } ss

The undersigned being duly sworn, deposes and says that: (1) he executed the foregoing report on behalf of and by authority of the above-named customer; (2) the facts stated on the foregoing report are, to the best of his knowledge and belief, true and correct.

Sworn to before me this .....day of.....194....

....

Notary Public — Signature of Authorized Official

My Commission expires..... Title .....

Vf·107. Form PD-71—producer's monthly shipping schedule for pig iron. The following is the text of Form PD-71, which is used as a producer's monthly shipping schedule for pig iron, and instructions for preparation of this form:

FORM PD-71—PRODUCER'S MONTHLY SHIPPING SCHEDULE

OFFICE OF PRODUCTION MANAGEMENT

Iron and Steel Branch

Washington, D. C.

PRODUCER'S SHIPPING SCHEDULE

See attached instructions before preparing Form. To be filed by the Producer with the Iron and Steel Section of the Office of Production Management on or before the 15th day of the month preceding the month for which shipments are scheduled.

Date.....

Name of Producer.....Address.....

.....

(Location of Plant from which scheduled shipments will be made)

No. of Furnaces .....Rated Monthly Capacity .....Gross Tons

Estimated production during month .....Gross Tons

Production last month .....Gross Tons

Contemplated changes in furnace operations (new capacity, shutdowns, etc.) will {curtail / increase} production by ..... Gross tons during month(s) of

.....

.....

PIG IRON ORDERED TO BE SET ASIDE BY DIRECTOR OF PRIORITIES

Percent of Total Production (Set aside by Direction of Director of Priorities)	Grade of Pig Iron	Equivalent Gross Tonnage	Disposition (To be filled in by Director of Priorities

SCHEDULE OF CUSTOMERS' ORDERS

(1) Preference Ratings	GROSS TONS FOR DELIVERY DURING MONTH			(5) Names of Customers
	(2) Ordered by Customers	(3) Scheduled by Producer	(4) Approved Schedule (For use by the Dir. Priorities)	

(Continued on Reverse)

Copyright, October 17, 1941, The Research Institute of America, Inc.

SCHEDULE OF CUSTOMERS' ORDERS *(Continued)*

(1) Preference Ratings	GROSS TONS FOR DELIVERY DURING MONTH			(5) Names of Customers
	(2) Ordered by Customers	(3) Scheduled by Producer	(4) Approved Schedule (For use by the Dir. Priorities)	

Attach a supplementary typewritten statement, if necessary.

..... **Legal Name of Producer**

..... **Signature of Official and Title**

..... Countersignature of Government Official

Approved ..... Director of Priorities

6094

INSTRUCTIONS FOR PREPARATION OF FORM PD-71

Prepare schedule in quadruplicate; forward original, duplicate and triplicate, together with original and duplicate copies of customers' orders upon which schedule is based, to Iron and Steel Section, Office of Production Management, Washington, D. C. A separate schedule should be submitted for each blast furnace plant.

This schedule is based on all orders placed with the producer, on or before the fifth day of the month, for shipment during the succeeding month. This schedule must be in the hands of the Director of Priorities by the fifteenth of the month preceding the month for which shipments are scheduled.

The date of this schedule to be inserted in the space provided in the upper right-hand corner of the face of this form is the date (between the fifth and the fifteenth of the month) when schedule is prepared by the producer. The month for which shipment is scheduled is the month succeeding the date of this schedule.

"Estimated production during month" refers to production during month for which schedule is made, which is the month succeeding the date of this schedule.

Producers whose blast furnace plants are a part of an integrated steel mill and whose production from such furnaces goes only into the manufacture of steel, will not fill out the Schedule relating to customers' orders. However, they will fill out the rest of the form in complete detail.

The Director of Priorities will approve this Schedule, or make such changes as may be necessary to meet defense requirements, and return the Schedule in time to permit the Producer to make shipments during the month specified in the Schedule.

PIG IRON ORDERED TO BE SET ASIDE BY DIRECTOR OF PRIORITIES

The Director of Priorities will direct monthly the percentage of the producer's total scheduled production to be set aside for each succeeding month. This percentage and the tonnage and grade it represents, should be indicated in the space provided and should be set aside before customers' orders are scheduled. The Director of Priorities will return the approved schedule advising the producer as to what disposition should be made of this tonnage.

SCHEDULE OF CUSTOMERS' ORDERS

Column 1—"Preference Ratings."—List in order of precedence, as (A-1 to A-9); A-10; B; each preference rating applicable to each quantity of pig iron to be shipped. All orders bearing the same preference rating should be lumped together, except as may be required by instructions under Column 5.

Column 2—"Gross Tons—Ordered by Customers."—Indicate total quantity of Pig Iron ordered by all customers under each Preference Rating. All tonnage with the same Preference Rating should be lumped together except as may be required under instructions in Column 5.

Column 3—"Gross Tons—Scheduled by Producer."—The Producer will schedule shipments by allotting available tonnage in order of precedence of Preference Ratings. All defense orders must be scheduled in full before non-defense orders can be taken care of. After all orders in the defense classification have been served, the producer should pro-rate his remaining supply, as equitably as possible and as far as is feasible within the bounds of efficient operation, among his non-defense orders.

Column 4—"Approved Schedule."—This column is for use by the Director of Priorities. The Director of Priorities will approve the Producer's schedule or make such changes as may be necessary to meet defense requirements, and return the schedule in time to permit the Producer to make shipments during the month specified in the Schedule.

Column 5—"Names of Customers."—Do not record the names of customers whose orders will be filled *in full.* Only the names of those customers whose orders are to be unfilled or only partially filled should be recorded. In such cases, the customer's name, preference rating group, tonnage ordered and tonnage scheduled should be filled out in detail.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·108. Use Iron and Steel Institute specifications on PD-69. OPM has given instructions that on and after August 20, 1941, all pig iron consumers are to use American Iron and Steel Institute specifications in filling out Form PD-69. These can be obtained from the American Iron and Steel Institute, 350 Fifth Avenue, New York City.

Vf·109. Dates for filing shipment schedules of pig iron. The eight days provided for in Preference Rating Order M-17 (see ¶ Vf·103), between the filing by pig iron producers of shipment schedules, and their approval or modification by the Iron and Steel Branch of OPM, have proved an insufficient period for proper handling. An amendment to the order was therefore issued on October 14, 1941, by the Director of Priorities. The amendment calls for the filing of reports by producers on or before the 12th of the month, and provides that their return by the Iron and Steel Branch of OPM must be made on or before the 25th of the same month. The original order called for the filing of reports on the 15th and their return to the producer on the 23rd of each month.

Vf·110. Text of amendment of October 14, 1941 to Order M-17. The following is the text of the amendment of October 14, 1941, to General Preference Order M-17 for pig iron:

Part 947—PIG IRON

Amendment to General Preference Order M-17

(a) Paragraph (d)(2) of section 947.1 (General Preference Order M-17) is hereby amended to read as follows:

"On or before the twenty-fifth day of each calendar month, the Director of Priorities, through the Chief of the Iron and Steel Branch, will direct each producer to make deliveries in the subsequent month of pig iron withheld pursuant to paragraph (d)(1) hereof or an equivalent of such pig iron. If any producer does not receive such direction as to any part of such pig iron on or before said date, he may dispose of the same in accordance with other directions of this Order."

(b) Paragraph (e) of section 947.1 (General Preference Order M-17) is hereby amended to read as follows:

"(e) *Customers' Reports and Producers' Delivery Schedules.* (1) On or before the twelfth day of each calendar month each pig iron customer shall file with the Iron and Steel Branch of the Office of Production Management a report showing supplies, consumption and requirements of pig iron and such other information as may be from time to time prescribed.

(2) On or before the twelfth day of each calendar month each producer shall file with the Iron and Steel Branch of the Office of Production Management a schedule of his proposed shipments of pig iron during the next succeeding calendar month, excluding from such schedule of shipments the pig iron withheld under the provisions of paragraph (d) above. Except as may be specifically authorized by the Director of Priorities, no shipment of pig iron shall be made by a producer unless and until such shipments shall have been scheduled and reported as required by the provisions of this paragraph, and such schedules shall have been approved by the Director of Priorities. Subject to the provisions of paragraph (b) above, pig iron which has been so scheduled by a producer for use in the manufacture of steel may be used for that purpose unless specifically disapproved by the Director of Priorities."

(c) This Amendment shall take effect immediately.

Issued this 14th day of October, 1941.

.....

DONALD M. NELSON, *Director of Priorities.*

Vf·111. Form PD-71-a—order relating to withholding of pig iron. The following is Form PD-71-a concerning the withholding of pig iron:

PD-71-a

OFFICE OF PRODUCTION MANAGEMENT

SOCIAL SECURITY BUILDING

WASHINGTON, D. C.

Date.....

ORDER RELATING TO WITHHOLDING OF PIG IRON

(Pursuant to paragraph (d)(1) of General Preference Order M-17)

It is hereby ordered that for the month of.....and for each month thereafter until further order, each producer of pig iron shall withhold.....per cent (....%) of his production of pig iron for such month, from which deliveries shall be made only upon express direction of the Director of Priorities.

DONALD M. NELSON, *Director of Priorities.*

By.....
A. D. WHITESIDE, *Chief, Iron and Steel Branch.*

Vf·112. Form PD-71-b—pig iron allocation order. Following is Form PD-71-b for pig iron allocation:

PD-71-b

OFFICE OF PRODUCTION MANAGEMENT

SOCIAL SECURITY BUILDING

WASHINGTON, D. C.

Date.....

PIG IRON ALLOCATION ORDER

Month of.....

To.....
(Producer)

.....
(Address)

Pursuant to General Preference Order M-17:

1. You are hereby authorized and directed to make deliveries of pig iron in the month set forth above in accordance with your schedule of shipments for such month as filed with this Office on Form PD-71, subject to the modifications noted on Schedule A annexed hereto.

2. Any pig iron produced by you in such month, the disposition of which is not directed by paragraph 1 hereof, may be disposed of by you, subject to such further allocations as may be made by this Office on Form PD-71-c from time to time during such month.

DONALD M. NELSON, *Director of Priorities.*

By.....
A. D. WHITESIDE, *Chief, Iron and Steel Branch.*

Copyright, November 22, 1941, The Research Institute of America, Inc.

Vf·113. Form PD-71-c—shipping directions for pig iron. The following is Form PD-71-c to direct the shipping of pig iron:

PD-71-c

Office of Production Management

Social Security Building—Washington, D. C.

Date.....

Pig Iron Allocation Order

To..... .....
(Producer) (Address)

Pursuant to General Preference Order M-17, you are hereby directed to ship iron as follows:

Name of Customer	Amount of Pig Iron	Specified Delivery Date

DONALD M. NELSON, *Director of Priorities.*

By.....
A. D. WHITESIDE, *Chief, Iron and Steel Branch.*

Vf·114. General Preference Order M-17 extended to December 31, 1942. General Preference Order M-17 which was due to expire on November 30, 1941 was, on November 25, 1941, extended until December 31, 1942.

Pig Iron—Price Control

Vf·150. Price ceiling on pig iron. Maximum prices which may be charged for pig iron, a major raw material in the production of steel, were established in a schedule issued June 24, 1941, by the Office of Price Administration and Civilian Supply. This is the third major factor in the iron and steel industry on which action has been taken by OPA in order to avoid inflationary tendencies. Previously ceilings had been established for iron and steel scrap and for iron and steel products. (See ¶s Vf·250 et seq. and ¶s Vf·500 et seq.)

Vf·151. Price levels in the schedule. The schedule sets forth basing point base prices for the five major grades of pig iron at various cities; such prices for three minor grades; differentials based on silicon, phosphorus, and manganese content; and two minor exceptions. The basing point prices are generally those prevailing during the second quarter. The domestic ceiling prices will be the aggregate of the basing point base price at the governing basing point; differentials according to content of the iron; and transportation charges from the governing basing point to the place of delivery as customarily computed. The export ceiling prices will be the aggregate of the basing point base price at the governing basing point, differential, and export transportation charges from the governing basing point to the place of delivery as customarily computed. In the case of exports the governing basing point may be the established basing point at or nearest the place of production.

Vf·152. Text of Price Schedule No. 10 on pig iron. The following is the text of Price Schedule No. 10 on pig iron, issued on June 23, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

Part 1306—Iron and Steel

PRICE SCHEDULE No. 10—Pig Iron

The Office of Price Administration and Civilian Supply is charged with maintenance of price stability and the prevention of undue price rises and price dislocations. Iron and steel scrap and Pig Iron are basic materials for the production of iron and steel products. By Price Schedule No. 4, Revised, and Price Schedule No. 6, Revised, respectively, price ceilings have been placed on iron and steel scrap and on iron and steel products. Recent wage increases and the increased demand for Pig Iron resulting from the national defense emergency have been exerting pressure upon the price structure, causing the prices of certain grades and kinds of Pig Iron to be increased. In the interest of national defense and the public interest a price ceiling is necessary. On the basis of information secured by independent investigation by this Office, and upon information furnished by the trade, I find that the maximum ("ceiling") prices as set forth below constitute reasonable limitations on prices for Pig Iron.

Therefore, pursuant to the authority vested in me by Executive Order No. 8734 it is hereby directed that:

1306.51 *Definitions.* When used in this Schedule:

(a) The term "Person" includes an individual, corporation, association, partnership, or other business entity.

(b) The term "Pig Iron" includes all Pig Iron such as Basic, Foundry, Malleable, Bessemer, Low-Phosphorous, High-Silicon or Silvery, Gray Forge, Charcoal, etc., commonly produced in blast furnaces.

(c) The term "Basing Point Base Price" means the price for Pig Iron as listed in Section 1306.56, Appendix A.

(d) The term "Differential" means those provided in Section 1306.56, Appendix A, otherwise the charges in effect June 24, 1941, prescribing additions or deductions from the base price to make adjustment for various analyses of the product sold from the product governed by the base price, which variations may be in chemical analysis, or other quality of the product.

(e) The term "Governing Basing Point" means that basing point the use of which results in the lowest delivered price at the place of delivery; in the case of exports it may also mean the established basing point at or nearest the place of production.

1306.51 to 1306.56, inclusive, issued pursuant to the authority contained in Executive Order No. 8734.

§ 1306.52. *Maximum ("ceiling") prices on sales of Pig Iron.* On and after June 24, 1941, regardless of any commitment theretofore entered into, no Person who produces Pig Iron shall sell or deliver or offer to sell or deliver any such product, and no purchaser shall buy or accept delivery or offer to buy or accept delivery from such Person of any such product, at a price exceeding the maximum ("ceiling") price: *Provided,* That with respect to any sale of Pig Iron for future delivery, a contract may provide for the payment of an adjusted price not to exceed the maximum ("ceiling") price in effect at the time of shipment.

A lower price than the ceiling price may be charged, demanded, offered, or paid. The price limitations set forth in this Price Schedule shall not be evaded by additional charges for prompt or early delivery, or by other direct or indirect methods, nor shall the other terms and conditions of sale be made more onerous to the purchasers than those available or in effect on June 24, 1941.

(a) The domestic ceiling price for any grade or kind of Pig Iron for which there are Basing Point Base Prices shall be the aggregate of: (1) the Basing Point Base Price at the Governing Basing Point; (2) Differentials; (3) transportation charges from the Governing Basing Point to the place of delivery as customarily computed.

(b) The export ceiling price for any grade or kind of Pig Iron for which there are Basing Point Base Prices shall be the aggregate of: (1) the Basing Point Base Price at the Governing Basing Point; (2) Differentials; (3) export transportation charges from the Governing Basing Point to the place of delivery as customarily computed.

For all special kinds or grades of Pig Iron for which there are no Differentials, the ceiling prices shall be the Basing Point Base Prices and the special differentials which were or would have been charged by the seller on June 24, 1941, (upon the basis of the prices, discounts, charges, or special differentials then listed or quoted by the seller) for such kinds or grades of Pig Iron, exclusive of any premium or charge for advanced delivery or any other inducement offered by the buyer or demanded by the seller to negotiate the sale.

§ 1306.53. *Records.* (a) Every Person who produces Pig Iron shall retain copies of all invoices, dated January 1, 1941, or later, relating to sales of such products, including sales to exporters, brokers and all other Persons purchasing for resale. Reports on such sales, in such form as may be determined, will be required by Supplements issued under this Price Schedule.

(b) Every Person who produces and sells Pig Iron shall file a copy of his price schedules, including Differentials, stating the prices, charges and discounts in effect on June 24, 1941. Such materials shall be filed with the Office of Price Administration and Civilian Supply, Washington, D. C., on or before July 10, 1941.

§ 1306.54. *Supplement.* In order to facilitate the application of this Schedule, Supplements further stating its scope will be issued from time to time as may be necessary, or appropriate.

Copyright, October 17, 1941, The Research Institute of America, Inc.

§ 1306.55. *Modification.* This Price Schedule is issued upon the basis of presently existing conditions. It is subject to adjustment or revocation if called for by changed conditions. Persons complaining of hardship or inequity in the operation of this Schedule (whether arising from action taken in reliance on a commitment of sale at prices in excess of those herein established, or from any other cause) may apply to the Office of Price Administration and Civilian Supply for approval of any proposed modification thereof.

Issued this twenty-fourth day of June, 1941.

.....

LEON HENDERSON
Administrator

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL:

.....

John E. Hamm, *Deputy Administrator*

Vf·153. Text of Appendix A, basing point base prices for pig iron. The following is the text of Appendix A, basing point base prices for pig iron, issued in conjunction with Price Schedule No. 10:

§ 1306.56. APPENDIX A. *Basing Point Base Prices for Pig Iron (Per Gross Ton—2,240 lbs.); Switching Charges; Certain Differentials.*

	No. 2 Foundry	Basic	Bessemer	Malleable	Low Phos.
Bethlehem, Pa.	$25.00	$24.50	$26.00	$25.50	$ ...
Everett, Mass.	25.00	24.50	26.00	25.50	...
Swedeland, Pa.	25.00	24.50	26.00	25.50	...
Steelton, Pa.	...	24.50	...	...	29.50
Bridsboro, Pa.	25.00	24.50	26.00	25.50	29.50
Sparrows Point, Md.	25.00	24.50	...	...	...
Erie, Pa.	24.00	23.50	25.00	24.50	...
Neville Island, Pa.	24.00	23.50	24.50	24.00	...
Sharpsville, Pa.	24.00	23.50	24.50	24.00	...
Buffalo	24.00	23.00	25.00	24.50	29.50
Chicago	24.00	23.50	24.50	24.00	...
Granite City, Ill.	24.00	23.50	24.50	24.00	...
Cleveland	24.00	23.50	24.50	24.00	...
Hamilton, Ohio	24.00	23.50	...	24.00	...
Toledo, Ohio	24.00	23.50	24.50	24.00	...
Youngstown	24.00	23.50	24.50	24.00	...
Detroit	24.00	23.50	24.50	24.00	...
Duluth	24.50	...	25.00	24.50	...
Birmingham	20.38	19.00	25.00	...	...
Provo, Utah	22.00	...	...	...	...

HIGH-SILICON, SILVERY

(Base Silicon 6.00 percent to 6.50 percent)

Jackson County, Ohio	$29.50
Buffalo, New York	30.75

GRAY FORGE

Valley or Pittsburgh Furnace	$23.50

CHARCOAL

Lake Superior Furnace	$28.00
Lyles, Tenn. High Phos. Furnace	28.50
Lyles, Tenn. Low Phos. Furnace	33.00

Switching Charges. Basing Point Base Prices are to be subject to an additional charge for delivery within the switching limits of the respective districts.

Silicon Differentials. Basing Point Base Prices are to be subject to an additional charge not to exceed $0.50 a ton for each 0.25 percent silicon content in excess of base grade (1.75 percent to 2.25 percent).

Phosphorous Differential. Basing Point Base Prices are to be subject to a reduction of $0.38 per ton for phosphorous content of 0.70 percent and over.

Manganese Differentials. Basing Point Base Prices are to be subject to an additional charge not to exceed $0.50 a ton for each 0.50 percent manganese content in excess of 1.00 percent.

Exception. Pittsburgh Coke and Iron Company (Sharpsville, Pa. Furnace only) and the Struthers Iron and Steel Company, Struthers, Ohio, may charge $0.50 a ton in excess of Basing Point Base Prices for No. 2 Foundry, Basic, Bessemer and Malleable.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Cast Iron Soil Pipe—Price Control

Vf·175. Digest of Price Schedule No. 100. (All cross references below refer to text of Price Schedule No. 100.)

Subject: Cast iron soil pipe and fittings.

Effective date: February 20, 1942.

Persons affected: Manufacturers, jobbers, wholesalers and persons buying from them.

Price limitations: (1) List prices are set (see Sec. 1306.310) and the maximum prices, f.o.b. Birmingham, Alabama, are expressed in terms of discounts off these list prices (see Sec. 1306.309(a)).

(2) A formula is provided to figure delivered prices (see Sec. 1306.309(b)).

(3) No charge may be made for tarring (see Sec. 1306.309(d)).

Exports: On export sales ocean freight and marine insurance paid by the seller may be added plus $1 per ton for wiring or bundling (see Sec. 1306.309(c)).

Records, reports, etc.: Manufacturers, jobbers and wholesalers and persons buying from them more than $200 worth per month, must keep for one year detailed records of all purchases and sales (see Sec. 1306.304).

Vf·176. Price Schedule No. 100—cast iron soil pipe and fittings.

Cast iron soil pipe and fittings are extensively used in the construction industry to carry off drainage and waste. In the defense program they are widely employed in housing projects, cantonments and all types of factories and industrial plants. The increased need for cast iron soil pipe and fittings has prompted Government efforts to secure expanded production by allocating needed pig iron to the industry, but the supply has failed to keep pace with the augmented demands stemming from the defense program and the accompanying economic expansion. As a consequence, inflationary pressure has caused price increases which outstrip advances in costs, and which will serve no purpose in bringing out appreciably increased production. Issuance of a price schedule accordingly is necessary to protect consumers, the industry, and the national economy.

In this Price Schedule the Office of Price Administration is utilizing the Birmingham, Alabama, single basing point system, presently in effect in the soil pipe industry. Such acceptance of this system, merely as a vehicle for determining maximum prices, should not be regarded as approval thereof, nor should this reservation be regarded as indicating disapproval.

Accordingly, pursuant to and under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

Sec. 1306.301 **Maximum Prices for Cast Iron Soil Pipe and Fittings.** On and after February 20, 1942, regardless of the terms of any contract of sale or purchase or other commitment, no manufacturer, jobber, or wholesaler shall sell, offer to sell, deliver, or transfer any cast iron soil pipe and fittings, and no person shall buy, offer to buy or accept delivery of cast iron soil pipe and fittings from a manufacturer, jobber, or wholesaler at prices higher than the maximum prices set forth in Appendix A hereof, incorporated herein as section 1306.309.*

Sec. 1306.302 **Less than Maximum Prices.** Lower prices than those set forth in Appendix A may be charged, demanded, paid or offered.*

Sec. 1306.303 **Evasion.** The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery, or transfer of cast iron soil pipe and fittings, alone or in conjunction with any other material or by way of any commission, service, transportation or other charge or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or by making credit terms more onerous than those available or in effect on October 1, 1941, or by any other means.*

Sec. 1306.304 **Records and Reports.** Every manufacturer, jobber and wholesaler who sells, and every person who buys from a manufacturer, jobber, or wholesaler cast iron soil pipes and fittings of a value of more than $200.00 per month after February, 1942, shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of each such purchase or sale, showing the date thereof, the name and address of the buyer or the seller, the price paid or received, and the specifications and quantity of cast iron soil pipes and fittings purchased or sold.*

Sec. 1306.305 **Enforcement.** (See ¶ S·185, I)

Sec. 1306.306 **Modification of the Schedule.** (See ¶ S·185, II)

Sec. 1306.307 **Definitions.** When used in this Schedule, the term

(a) "person" means an individual, partnership, association, corporation, or other business entity;

(b) "manufacturer" means a person operating a foundry or plant which produces cast iron soil pipe and fittings. Except for purposes of the records requirements of section 1306.304, the term includes, without restricting the generality of the foregoing, any manufacturer's representative, factory commission salesman, or other manufacturer's agent;

(c) "jobber" and the term "wholesaler" means a person who purchases cast iron soil pipe for purposes of resale, normally maintains a complete line of pipe and fittings, and sells primarily to plumbers, contractors and industrial concerns.

(d) "cast iron soil pipe and fittings" means cast iron pipes and fittings of the types listed in Appendix B of this Schedule;

(e) "delivered price" means net price including all commissions and all freight and delivery charges incident to transporting the pipe and fittings to the place of delivery as described in paragraph (b) (3) of Appendix A of this Schedule;

(f) "carload shipment" or the term "carload quantity" means a shipment or quantity of cast iron soil pipe and fittings, the aggregate weight of which totals at least the lowest applicable minimum carload weight as specified in the established tariff of the rail carrier involved, or for which a carload rate would be paid.

Sec. 1306.308 **Effective Date of the Schedule.** This Schedule shall become effective February 20, 1942.*

Sec. 1306.309 **Appendix A. Maximum Prices for Cast Iron Soil Pipe and Fittings.**

(a) The maximum f.o.b. Birmingham, Alabama, prices for cast iron soil pipe and fittings shall be the prices arrived at by applying the following discounts to the prices set forth in Appendix B of this Schedule.

	Carload shipments by rail; ten ton or greater shipments by motor carrier	*Less than carload shipments by rail; less than ten ton shipments by motor carrier*
2″ to 6″ Extra Heavy Pipe	52½-10-10	52½
2″ to 6″ Medium Pipe	47½-10-10	47½
2″ to 6″ Standard Pipe	42½-10-10	42½
2″ to 6″ Fittings	37½-10-10	37½
8″ to 15″ Pipe and Fittings..	43½-10-10	43½

(b) The maximum delivered price for domestic sales of cast iron soil pipe and fittings shall be the maximum f.o.b. Birmingham, Alabama, price established in paragraph (a) hereof, plus a freight and delivery charge computed in accordance with the following provisions (whether shipment is by rail or motor carrier):

(1) Where shipment moves directly from foundry to purchaser (regardless of whether the seller is a manufacturer, jobber, or wholesaler), the delivery charge may not exceed the carload railroad freight from Birmingham, Alabama, to

Copyright, February 27, 1942, Research Institute.

the railroad siding nearest to the point of delivery designated by the purchaser.

(2) Where shipment to a purchaser originates from some place other than a foundry (as where shipment originates at a distribution warehouse operated by a manufacturer, jobber, or wholesaler), the delivery charge may not exceed the carload railroad freight from Birmingham, Alabama, to the place at which the shipment originates. No further delivery charge may be made for transportation from the place at which the shipment originates to the location designated by the purchaser.

(3) For purposes of this paragraph, the seller shall be considered as having completed his delivery obligations when, in the case of a rail shipment, the shipment arrives at the rail siding nearest to the location designated by the purchaser; or when, in the case of shipment by motor carrier, the shipment arrives at the site designated by the purchaser.

(4) Carload railroad freight from Birmingham, Alabama, may be computed by deducting for every 25¢ ton freight ¼ point from the applicable base (or first) discount.

(c) The maximum price for export sales of cast iron soil pipe and fittings shall be the maximum price, as established by subparagraph (1) of paragraph (b) hereof, for delivery of carload quantities of pipe and fittings to the export loading dock, plus ocean freight and marine insurance to the extent that such charges are paid by the seller. Where the seller performs the service of wiring or otherwise bundling pipe and fittings for export shipment, an added charge of $1.00 per ton of pipes and fittings may be made.

(d) No addition to the maximum prices herein established may be made for treating cast iron soil pipe and fittings with tar.*

Sec. 1306.310 **Appendix B. List Prices on Cast Iron Soil Pipe and Fittings.**

The list prices of cast iron soil pipe and fittings shall be as follows:

STANDARD

Size	2	3	4	5	6	8	10	12	15
					(Inches)				
Single Hub Pipe—Per Foot	.30	.38	.46	.66	.80	1.50	2.50	3.60	5.60
Double Hub Pipe—Per Foot	.32	.41	.50	.72	.88	1.70	2.70	4.00	6.20
Medium									
Single Hub Pipe—Per Foot	.35	.46	.60	.88	1.08	1.80	3.00	4.00	6.40
Double Hub Pipe—Per Foot	.38	.50	.65	.92	1.16	2.00	3.20	4.40	7.00
¼ Bends	.40	.55	.80	1.05	1.45	4.00	5.90	8.65	16.80
⅙ Bends	.45	.80	.80	1.05	1.30	4.00	5.90	8.65	16.80
⅙ Bends	.40	.60	.75	1.05	1.30	4.00	5.90	8.65	16.80
⅛ Bends	.35	.45	.65	.80	1.05	4.00	5.90	8.65	16.80
1/16 Bends	.35	.60	.60	.80	1.00	4.00	5.90	8.65	16.80
Double Hub ¼, ⅛ and 1/16 Bends	.75	.95	1.20	1.85	2.45	...	...	...	...
Double Spigot ¼ Bends	...	1.00	1.20	...	...	...	...	...	...
Double ¼ Bends	1.50	2.55	2.80	4.90	5.60	...	...	...	...
¼ Bends 2" Heel or Side Inlet	1.25	1.25	1.25	3.70	4.30	8.60	...	...	...
¼ Bends 3" Heel or Side Inlet	...	1.25	3.10	3.70	4.30	8.60	...	...	...
¼ Bends 4" Heel or Side Inlet	...	...	3.10	3.70	4.30	8.60	...	...	...
Double Hub ¼ Bend with 2" Low Heel	1.75	1.95	2.20	2.85	3.45	...	...	...	...
Double Hub ¼ Bend with 3" Low Heel	...	2.20	2.45	3.10	3.70	...	...	...	...
Double Hub ¼ Bend with 4" Low Heel	...	...	2.70	3.85	3.95	...	...	...	...
Short Sweep Bends	.60	.90	1.15	1.55	2.50	4.80	6.80	...	...
Long Sweep Bends	.75	.95	1.25	1.70	2.75	6.00	8.00	14.50	28.00
Long Sweep Bends 4x3 Reducing	...	...	1.40	...	...	...	...	...	...
Tapd. ¼ Bends with Hub and 1¼", 1½" or 2" tap	.70	.85	1.00	...	...	...	...	...	...
Tapd. ¼ Bends with Spigot and 1¼", 1½" or 2" tap	.70	.85	1.00	...	...	...	...	...	...
Return Bends Single Hub or Double Spigot	1.25	1.50	1.70	2.45	3.10	7.00	...	...	...
Return Bends Double Hub	1.35	1.60	1.75	2.75	3.40	7.40	...	...	...
Long ¼, ⅙ or ⅛ Bends, 12" long	.90	1.50	1.25	3.70	4.30	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 18" long	1.05	1.85	1.50	4.30	5.00	7.50	...	...	...
Long ¼, ⅙ or ⅛ Bends, 24" long	1.50	2.25	2.75	4.90	5.50	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 30" long	2.25	...	3.85	...	6.50	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 36" long	...	...	4.90	5.25	7.40	...	...	...	...
Long ¼ Bend Calif. Pattern 12" long	...	...	1.25	...	...	...	...	...	...
Long ¼ Bend Calif. Pattern 18" long	...	...	1.50	...	...	...	...	...	...
Long ¼ Bend Calif. Pattern 24" long	...	...	2.75	...	...	...	...	...	...
4x18" ¼ Bend with 2" Heel Inlet	...	...	2.50	...	...	...	...	...	...
Offsets and Eighth Bend Offsets to Offset 2"	.60	.95	1.00	2.50	3.15	...	...	...	...
" " " " " " " 4"	.60	1.00	1.00	2.50	3.45	...	...	...	...
" " " " " " " 6"	.75	1.10	1.10	2.85	3.45	...	...	...	...
" " " " " " " 8"	.75	1.25	1.25	3.15	3.80	...	...	...	...
" " " " " " " 10"	1.00	1.50	1.50	3.35	4.50	...	...	...	...
" " " " " " " 12"	1.15	1.60	1.60	3.70	5.10	...	...	...	...
" " " " " " " 14"	1.25	1.90	1.90	5.25	6.40	...	...	...	...
" " " " " " " 16"	1.35	2.10	2.00	5.50	6.90	...	...	...	...
" " " " " " " 18"	1.70	2.30	2.30	6.10	7.25	...	...	...	...
" " " " " " " 20"	2.00	2.75	2.60	6.35	7.65	...	...	...	...
" " " " " " " 22"	2.20	3.10	3.10	6.70	8.10	...	...	...	...
" " " " " " " 24"	2.45	3.70	3.70	6.90	8.50	...	...	...	...
Extension Pieces to Extend 4"	.60	1.00	1.25	1.85	2.45	...	...	...	...
" " " " 6"	.60	1.00	1.25	1.85	2.45	...	...	...	...
" " " " 8"	.75	1.10	1.40	2.10	2.70	...	...	...	...
" " " " 10"	.90	1.25	1.50	2.30	2.95	...	...	...	...
" " " " 12"	1.00	1.50	1.70	2.45	3.20	6.00	...	...	...
" " " " 14"	1.15	1.75	1.85	2.70	3.45	...	...	...	...
" " " " 16"	1.25	1.95	2.15	2.95	3.90	...	...	...	...
" " " " 18"	1.40	2.20	2.45	3.20	4.45	...	...	...	...
" " " " 20"	1.50	2.45	2.95	3.70	4.90	...	...	...	...
" " " " 22"	2.00	2.75	3.40	4.20	5.50	...	...	...	...
" " " " 24"	2.50	2.95	3.70	4.70	6.15	...	...	...	...
" " " " 30"	...	...	4.40	...	7.85	...	...	...	...
" " " " 36"	...	...	4.70	...	8.00	...	...	...	...

(Continued on next page)

EXTRA HEAVY

Size	(Inches) 2	3	4	5	6	8	10	12	15
Single Hub Pipe—Per Foot	.42	.66	.80	1.10	1.36	2.00	3.60	5.00	8.00
Double Hub Pipe—Per Foot	.45	.70	.86	1.16	1.46	2.28	4.00	5.60	8.80
Medium									
Single Hub Pipe—Per Foot	...	...	...	...	...	...	...	...	...
Double Hub Pipe—Per Foot	...	...	...	...	...	...	...	...	...
¼ Bends	.55	.70	1.00	1.25	1.85	5.05	6.50	10.80	21.00
⅕ Bends	.60	1.00	1.00	1.25	1.55	5.00	6.50	10.80	21.00
⅙ Bends	.45	.75	.90	1.25	1.55	5.00	6.50	10.80	21.00
⅛ Bends	.40	.55	.80	1.00	1.25	5.00	6.50	10.80	21.00
1/16 Bends	.40	.70	.75	1.00	1.25	5.00	6.50	10.80	21.00
Double Hub ¼, ⅛ and 1/16 Bends	.90	1.15	1.40	2.30	3.05	...	...	...	...
Double Spigot ¼ Bends	...	1.25	1.40	...	...	...	...	...	...
Double ¼ Bends	1.85	3.20	3.45	6.15	6.90	...	...	...	...
¼ Bends 2" Heel or Side Inlet	1.55	1.55	1.55	4.60	5.40	10.80	...	...	...
¼ Bends 3" Heel or Side Inlet	...	1.55	3.85	4.60	5.40	10.80	...	...	...
¼ Bends 4" Heel or Side Inlet	...	...	3.85	4.60	5.40	10.80	...	...	...
Double Hub ¼ Bend with 2" Low Heel	1.90	2.15	2.40	3.30	4.95	...	...	...	...
Double Hub ¼ Bend with 3" Low Heel	...	2.40	2.65	3.55	4.30	...	...	...	...
Double Hub ¼ Bend with 4" Low Heel	...	...	2.90	3.80	4.55	...	...	...	...
Short Sweep Bends	.75	1.10	1.40	1.85	3.10	6.00	8.50	...	...
Long Sweep Bends	.90	1.15	1.55	2.00	3.40	7.50	10.00	18.00	35.00
Long Sweep Bends 4x3 Reducing	...	...	1.75	...	...	...	...	...	...
Tapd. ¼ Bends with Hub and 1¼", 1½" or 2" tap	.85	1.00	1.25	...	...	...	...	...	...
Tap. ¼ Bends with Spigot and 1¼", 1½" or 2" tap	.85	1.00	1.25	...	...	...	...	...	...
Return Bends Single Hub or Double Spigot	1.55	1.85	2.00	3.05	3.85	7.75	...	...	...
Return Bends Double Hub	1.70	2.00	2.20	3.40	4.25	8.25	...	...	...
Long ¼, ⅙ or ⅛ Bends, 12" long	1.10	1.85	1.55	4.60	5.40	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 18" long	1.30	2.30	1.85	5.40	6.15	10.00	...	...	...
Long ¼, ⅙ or ⅛ Bends, 24" long	1.85	2.75	3.40	6.15	6.90	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 30" long	2.75	...	4.80	...	8.10	...	...	...	...
Long ¼, ⅙ or ⅛ Bends, 36" long	...	...	6.15	6.55	9.20	...	...	...	...
Long ¼ Bend Calif. Pattern 12" long	...	...	1.55	...	...	...	...	...	...
Long ¼ Bend Calif. Pattern 18" long	...	...	1.85	...	...	...	...	...	...
Long ¼ Bend Calif. Pattern 24" long	...	...	3.40	...	...	...	...	...	...
4x18" ¼ Bend with 2" Heel Inlet	...	...	2.85	...	...	...	...	...	...
Offsets and Eighth Bend Offsets to Offset 2"	.75	1.15	1.25	3.15	3.95	...	...	...	...
" " " " " " " 4"	.75	1.25	1.25	3.15	4.20	...	...	...	...
" " " " " " " 6"	.90	1.40	1.40	3.55	4.30	...	...	...	...
" " " " " " " 8"	.90	1.55	1.55	3.95	4.75	...	...	...	...
" " " " " " " 10"	1.25	1.85	1.85	4.20	5.60	...	...	...	...
" " " " " " " 12"	1.40	2.00	2.00	4.65	6.25	...	...	...	...
" " " " " " " 14"	1.55	2.30	2.45	6.55	8.00	...	...	...	...
" " " " " " " 16"	1.70	2.60	3.40	6.90	8.60	...	...	...	...
" " " " " " " 18"	2.15	2.90	3.55	7.60	9.05	...	...	...	...
" " " " " " " 20"	2.50	3.40	4.30	7.95	9.55	...	...	...	...
" " " " " " " 22"	2.75	3.85	4.60	8.35	10.15	...	...	...	...
" " " " " " " 24"	3.65	4.60	5.65	8.65	10.00	...	...	...	...
Extension Pieces to Extend 4"	.75	1.25	1.55	2.20	3.95	...	...	...	...
" " " " 6"	.75	1.25	1.55	2.30	3.65	...	...	...	...
" " " " 8"	.90	1.40	1.70	2.60	3.40	...	...	...	...
" " " " 10"	1.10	1.55	1.85	2.90	3.70	...	...	...	...
" " " " 12"	1.25	1.85	2.00	3.95	4.00	7.50	...	...	...
" " " " 14"	1.40	2.15	2.30	3.40	4.30	...	...	...	...
" " " " 16"	1.55	2.45	2.60	3.70	4.90	...	...	...	...
" " " " 18"	1.70	2.75	3.05	4.00	5.55	...	...	...	...
" " " " 20"	1.85	3.05	3.70	4.00	6.15	...	...	...	...
" " " " 22"	2.45	3.40	4.30	5.25	6.90	...	...	...	...
" " " " 24"	3.05	3.70	4.60	5.85	7.70	...	...	...	...
" " " " 30"	...	...	5.50	...	9.80	...	...	...	...
" " " " 36"	...	...	5.90	...	10.00	...	...	...	...

Size	(Inches) 3x2	4x2	4x3	5x2	5x3	5x4	6x2	6x3	6x4	6x5	8	10	12	15
Reducers ....STD.	.40	.40	.50	.60	.60	.60	.80	.80	.80	.80	2.80	4.85	8.65	17.85
Reducers .....XH.	.50	.50	.65	.75	.75	.75	1.00	1.00	1.00	1.00	3.50	6.20	10.80	23.20

Size	(Inches) 2x3	2x4	3x4	2x5	3x5	4x5	2x6	3x6
Increasers .....STD.	.90	1.25	1.25	1.60	1.60	1.60	1.85	1.85
Increasers .....XH.	1.10	1.55	1.55	2.00	2.00	2.00	2.30	2.00
Long Increasers Plain 24" .....STD.	1.25	1.25	2.00	...	2.00	2.00	...	...
" " " 24" .....XH.	1.55	1.55	2.45	...	2.45	2.45	...	...
" " " 30" .....STD.	1.65	1.65	2.00	...	2.00	2.00	...	...
" " " 30" .....XH.	2.00	2.00	2.45	...	2.45	2.45	...	...
" " " 36" .....STD.	...	2.00	2.85	...	3.70	3.70	...	...
" " " 36" .....XH.	...	2.45	2.90	...	4.60	4.60	...	...
" " " 48" .....STD.	...	2.50	2.85	...	...	...	...	...
" " " 48" .....XH.	...	3.10	3.55	...	...	...	...	...

(Continued on next page)

Copyright, February 27, 1942, Research Institute.

EXTRA HEAVY *(Continued)*

Size		4x6	5x6	4x8 5x8	6x8	4x10 5x10	6x10 8x10	4x12 6x12	8x12 10x12	4x15 5x15	6x15 8x15	10x15 12x15
					(Inches)							
Increasers	STD.	1.85	1.85	4.00	4.00	6.40	6.40	9.20	9.20	16.00	16.00	16.00
Increasers	XH.	2.30	2.30	5.00	5.00	8.00	8.00	11.50	11.50	20.00	20.00	20.00
Long Increasers Plain 24"	STD.	3.70	5.45	...	...	...	...	...	...	...	...	...
" " " 24"	XH.	4.60	6.80	...	...	...	...	...	...	...	...	...
" " " 30"	STD.	3.70	5.45	...	...	...	...	...	...	...	...	...
" " " 30"	XH.	4.60	6.80	...	...	...	...	...	...	...	...	...
" " " 36"	STD.	4.80	6.25	...	...	...	...	...	...	...	...	...
" " " 36"	XH.	5.40	7.00	...	...	...	...	...	...	...	...	...
" " " 48"	STD.	4.95	...	...	...	...	...	...	...	...	...	...
" " " 48"	XH.	6.15	...	...	...	...	...	...	...	...	...	...

For 1¼", 1½" or 2" L.P. Tapping on one side	Add $1.00 to above lists.
For 1¼", 1½" or 2" L.P. Tapping on both sides	Add $1.50 to above lists.
For 2" Cup Hub Side Inlet	Add $1.00 to above lists.

Size		1¼x2 1½x2	1½x2½ 1¼x2½ 2x2½	1¼x3 1½x3 2x3	1¼x4 1½x4 2x4	2½x4 3x4	1¼x5 1½x5 2x5	2½x5 3x5
			(Inches)					
Tapped Increasers, Short	STD.	.60	...	.90	1.00	1.25	1.25	1.60
" " "	XH.	.75	...	1.10	1.25	1.00	1.55	1.90
Tapped Increasers, Regular	STD.	.75	...	1.40	1.50	1.85	2.10	2.45
" " "	XH.	.90	...	1.70	1.85	2.10	2.45	2.80
Long Tapped Increasers 24"	STD.	..	...	2.25	2.25	3.00	3.00	...
" " " 24"	XH.	..	...	2.55	2.55	3.00	3.45	...
" " " 30"	STD.	..	2.65	2.65	2.65	3.40	...	...
" " " 30"	XH.	..	3.00	3.00	3.00	3.75	...	...
" " " 36"	STD.	..	...	3.00	3.00	3.75	...	...
" " " 36"	XH.	..	...	3.45	3.45	4.30	...	...
" " " 48"	STD.	..	...	...	3.50	4.50	...	...
" " " 48"	XH.	..	...	...	4.10	5.10	...	...

Size		3½x5 4x5	1¼x6 1½x6 2x6	2½x6 3x6	3½x6 4x6	4½x6 5x6
		(Inches)				
Tapped Increasers, Short	STD.	2.00	1.85	2.20	2.60	3.05
" " "	XH.	2.30	2.30	2.65	3.05	3.50
Tapped Increasers, Regular	STD.	2.85	2.40	2.75	3.15	3.50
" " "	XH.	3.20	3.00	3.35	3.75	4.20
Long Tapped Increasers 24"	STD.	...	...	...	...	...
" " " 24"	XH.	...	...	...	...	...
" " " 30"	STD.	4.50	...	...	6.20	...
" " " 30"	XH.	4.95	...	...	7.10	...
" " " 36"	STD.	...	...	...	...	...
" " " 36"	XH.	...	...	...	...	...
" " " 48"	STD.	...	...	...	...	...
" " " 48"	XH.	...	...	...	...	...

Extras To Be Added For Standard Or Extra Heavy	1	1¼	1½	2	2½	3	3½
				(Inches)			
90 Deg. Cup Hub Inlet	...	...	...	1.00	...	1.25	...
90 Deg. Tapped Inlet	1.00	1.25	1.25	1.25	2.00	2.00	2.50
Sanitary or 45 Deg. Hub Inlet	...	...	...	2.50	...	...	...
Foot Rest on Short or Long Sweeps	...	...	...	.75	...	1.00	...
Foot Rest on ¼ Bends and Long ¼ Bends	...	...	...	.50	...	.75	...
Brass Screw Cleanout on Side (Fttg. Size to Apply)	...	...	...	1.50	...	2.00	...

Extras To Be Added For Standard Or Extra Heavy	4	5	6	8	10	12	15
				(Inches)			
90 Deg. Cup Hub Inlet	1.50	2.00	2.50	...	...	...	...
90 Deg. Tapped Inlet	2.50	...	...	...	...	...	...
Sanitary or 45 Deg. Hub Inlet	...	...	...	...	...	...	...
Foot Rest on Short or Long Sweeps	1.50	2.00	2.50	4.00	6.00	10.00	15.00
Foot Rest on ¼ Bends and Long ¼ Bends	1.00	1.25	1.50	2.50	3.50	6.00	9.00
Brass Screw Cleanout on Side (Fttg. Size to Apply)	2.50	3.00	3.50	5.00	5.00	7.50	7.50

(Continued on next page)

EXTRA HEAVY *(Continued)*

Size		2	3x2	3	4x2	4x3	4
		(Inches)					
Tees, San Tees, Ys and ½ Ys	Std.	.55	.85	.85	.85	1.15	1.20
Tees, San Tees, Ys and ½ Ys	XH.	.75	1.05	1.10	1.10	1.45	1.50
Tees and San Tees, All Hub Ends	Std.	2.25	...	3.45	...	...	4.65
Tees and San Tees, All Hub Ends	XH.	2.75	...	4.30	...	...	5.85
Tapped Tees	Std.	.70	...	.85	...	...	1.00
Tapped Tees	XH.	.85	...	1.10	...	...	1.25
Tapped San Tees (Tapped for 1¼", 1½" or 2" I.P.)	Std.	.75	...	.95	...	...	1.25
Tapped San Tees (Tapped for 1¼", 1½" or 2" I.P.)	XH.	..90	...	1.20	...	...	1.55
Tapped Ys (Tapped for 1¼", 1½" or 2" I.P.)	Std.	.75	...	.95	...	...	1.25
Tapped Ys (Tapped for 1¼", 1½" or 2" I.P.)	XH.	90	...	1.20	...	...	1.55
Tapped Tees for 2½" or 3" L.P	Std.	...	...	1.90	...	...	2.00
Tapped Tees for 2½" or 3" L.P	XH.	...	...	2.35	...	...	2.50
Tapped San Tees and Ys for 2½" or 3" I.P	Std.	...	...	2.00	...	...	2.25
Tapped San Tees and Ys for 2½" or 3" I.P	XH.	...	...	2.45	...	...	2.80
Add 50¢ each to the above for 4" tapping.							
Long Tee, San Tee and Y, 12" long	Std.	1.20	...	1.45	...	...	2.80
Long Tee, San Tee and Y, 12" long	XH.	1.50	...	1.80	...	...	3.50
Long Tee, San Tee and Y, 18" long	Std.	2.00	...	2.60	...	...	3.50
Long Tee, San Tee and Y, 18" long	XH.	2.45	...	3.25	...	...	4.30
Long Tee, San Tee and Y, 24" long	Std.	2.25	...	3.10	...	...	4.10
Long Tee, San Tee and Y, 24" long	XH.	2.75	...	3.85	...	...	5.05
Long Tee, San Tee and Y, 30" long	Std.	2.45	...	3.55	...	...	4.65
Long Tee, San Tee and Y, 30" long	XH.	3.05	...	4.45	...	...	5.85
Long Tee, San Tee and Y, 36" long	Std.	2.70	...	4.05	...	...	5.35
Long Tee, San Tee and Y, 36" long	XH.	3.35	...	5.05	...	...	6.60
Long Tapped Tees Long Tapped San Tees Long Tapped Ys All Tapped for 1¼", 1½" or 2" I.P. — 12" long	Std.	1.45	...	1.70	...	...	3.05
12" long	XH.	1.80	...	2.10	...	...	3.80
18" long	Std.	2.10	...	2.75	...	...	3.55
18" long	XH.	2.60	...	3.40	...	...	4.45
24" long	Std.	2.35	...	3.20	...	...	4.35
24" long	XH.	2.90	...	4.00	...	...	5.40
30" long	Std.	2.70	...	3.80	...	...	4.90
30" long	XH.	3.35	...	4.75	...	...	6.15
36" long	Std.	2.90	...	4.30	...	...	5.50
36" long	XH.	3.65	...	5.35	...	...	6.90
Cross, San Cross, Dbl. Y and Dbl. ½ Y	Std.	1.25	1.65	1.65	1.80	1.80	1.80
Cross, San Cross, Dbl. Y and Dbl. ½ Y	XH.	1.55	2.00	2.00	2.15	2.15	2.15
All Hub Cross and San Cross	Std.	2.50	...	3.80	4.75	...	5.00
All Hub Cross and San Cross	XH.	3.15	...	4.75	5.95	...	6.25

Size		5x2	5x3	5x4	5	6x2	6x3	6x4	6x5	6	8	10	12	15
		(Inches)												
Tees, San Tees, Ys and ½ Ys	Std.	1.20	1.50	1.60	2.00	1.80	1.80	1.80	2.00	2.40	6.00	10.80	15.10	33.60
Tees, San Tees, Ys and ½ Ys	XH.	1.45	1.85	2.00	2.50	2.15	2.15	2.15	2.45	3.00	9.00	15.10	19.40	42.00
Tees and San Tees, All Hub Ends	Std.	...	...	...	5.65	...	...	...	...	7.35	...	...	...	...
Tees and San Tees, All Hub Ends	XH.	...	...	...	7.05	...	...	...	...	9.20	...	...	...	...
Tapped Tees	Std.	...	...	...	1.60	...	...	...	...	2.50	5.00	...	...	...
Tapped Tees	XH.	...	...	...	2.00	...	...	...	...	3.10	6.25	...	...	...
Tapped San Tees (Tapped for 1¼", 1½" or 2" I.P.)	Std.	...	...	...	1.85	...	...	...	...	2.95	...	...	...	...
Tapped San Tees (Tapped for 1¼", 1½" or 2" I.P.)	XH.	...	...	...	2.30	...	...	...	...	3.70	...	...	...	...
Tapped Ys (Tapped for 1¼", 1½" or 2" I.P.)	Std.	...	...	...	1.85	...	...	...	...	2.95	...	...	...	...
Tapped Ys (Tapped for 1¼", 1½" or 2" I.P.)	XH.	...	...	...	2.30	...	...	...	...	3.70	...	...	...	...
Tapped Tees for 2½" or 3" L.P	Std.	...	...	...	2.65	...	...	...	...	3.10	...	...	...	...
Tapped Tees for 2½" or 3" L.P	XH.	...	...	...	3.30	...	...	...	...	3.90	...	...	...	...
Tapped San Tees and Ys for 2½" or 3" I.P	Std.	...	...	...	2.90	...	...	...	...	3.60	...	...	...	...
Tapped San Tees and Ys for 2½" or 3" I.P	XH.	...	...	...	3.60	...	...	...	...	4.50	...	...	...	...
Add 50¢ each to the above for 4" tapping.														
Long Tee, San Tee and Y, 12" long	Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
Long Tee, San Tee and Y, 12" long	XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Long Tee, San Tee and Y, 18" long	Std.	...	...	...	4.20	...	...	...	...	4.90	...	...	...	...
Long Tee, San Tee and Y, 18" long	XH.	...	...	...	5.25	...	...	...	...	6.15	...	...	...	...
Long Tee, San Tee and Y, 24" long	Std.	...	...	...	4.95	...	...	...	...	5.80	...	...	...	...
Long Tee, San Tee and Y, 24" long	XH.	...	...	...	6.15	...	...	...	...	7.25	...	...	...	...
Long Tee, San Tee and Y, 30" long	Std.	...	...	...	5.70	...	...	...	...	6.80	...	...	...	...
Long Tee, San Tee and Y, 30" long	XH.	...	...	...	7.10	...	...	...	...	8.45	...	...	...	...
Long Tee, San Tee and Y, 36" long	Std.	...	...	...	6.60	...	...	...	...	7.70	9.00	24.00	...	...
Long Tee, San Tee and Y, 36" long	XH.	...	...	...	8.15	...	...	...	...	9.55	12.00	30.00	...	...
Long Tapped Tees Long Tapped San Tees Long Tapped Ys All Tapped for 1¼", 1½" or 2" I.P. — 12" long	Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
12" long	XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
18" long	Std.	...	...	...	4.35	...	...	...	...	4.95	...	...	...	...
18" long	XH.	...	...	...	5.40	...	...	...	...	6.15	...	...	...	...
24" long	Std.	...	...	...	5.25	...	...	...	...	6.20	...	...	...	...
24" long	XH.	...	...	...	6.55	...	...	...	...	7.70	...	...	...	...
30" long	Std.	...	...	...	5.90	...	...	...	...	7.00	...	...	...	...
30" long	XH.	...	...	...	7.40	...	...	...	...	8.75	...	...	...	...
36" long	Std.	...	...	...	6.75	...	...	...	...	7.90	...	...	...	...
36" long	XH.	...	...	...	8.45	...	...	...	...	9.85	...	...	...	...
Cross, San Cross, Dbl. Y and Dbl. ½ Y	Std.	4.95	4.95	4.95	4.95	6.15	6.15	6.15	6.15	6.15	9.00	16.20	22.70	50.40
Cross, San Cross, Dbl. Y and Dbl. ½ Y	XH.	6.15	6.15	6.15	6.15	7.70	7.70	7.70	7.70	7.70	13.50	22.65	29.15	63.00
All Hub Cross and San Cross	Std.	...	...	...	6.15	...	...	...	...	7.70	...	...	...	...
All Hub Cross and San Cross	XH.	...	...	...	7.70	...	...	...	...	9.60	...	...	...	...

(Continued on next page)

Copyright, February 27, 1942, Research Institute.

EXTRA HEAVY *(Continued)*

Size			(Inches) 2	3x2	3	4x2	4x3	4
Tapped Straight Cross		Std.	1.15	...	1.25	...	...	1.40
Tapped Straight Cross		XH.	1.40	...	1.55	...	...	1.70
Tapped Sanitary Cross (Tapped for 1¼", 1½" or 2" I.P.)		Std.	1.25	...	1.50	...	...	1.75
Tapped Sanitary Cross (Tapped for 1¼", 1½" or 2" I.P.)		XH.	1.55	...	1.85	...	...	2.15
Tapped Double Y (Tapped for 1¼", 1½" or 2" I.P.)		Std.	1.25	...	1.50	...	...	1.75
Tapped Double Y (Tapped for 1¼", 1½" or 2" I.P.)		XH.	1.55	...	1.85	...	...	2.15
Long Crosses Long San Crosses Long Double Ys Long Double ½ Ys	12" long	Std.	1.60	...	...	...	...	...
	12" long	XH.	2.00	...	...	...	...	...
	18" long	Std.	2.75	...	...	4.65	4.65	4.65
	18" long	XH.	3.45	...	...	5.80	5.80	5.80
	24" long	Std.	3.00	...	...	5.25	5.25	5.25
	24" long	XH.	3.75	...	...	6.55	6.55	6.55
	30" long	Std.	...	...	...	...	...	5.90
	30" long	XH.	...	...	...	...	...	7.35
	36" long	Std.	...	...	...	...	...	6.50
	36" long	XH.	...	...	...	...	...	8.10
Inverted Ys		Std.	1.00	1.40	1.40	1.70	1.70	1.70
Inverted Ys		XH.	1.25	1.85	1.85	2.15	2.15	2.15
Double Inverted Ys		Std.	2.45	3.10	3.10	3.70	3.70	3.70
Double Inverted Ys		XH.	3.05	3.85	3.85	4.60	4.60	4.60
Tapped Inverted Ys (Tapped for 1¼", 1½" or 2" I.P.)		Std.	1.40	...	2.00	...	...	2.20
Tapped Inverted Ys (Tapped for 1¼", 1½" or 2" I.P.)		XH.	1.70	...	2.45	...	...	2.75
Combination Y and ⅛ Bends		Std.	1.05	1.70	1.70	1.70	1.70	1.70
Combination Y and ⅛ Bends		XH.	1.30	2.15	2.15	2.15	2.15	2.15
Double Combination Y and ⅛ Bends		Std.	1.90	2.80	2.80	...	...	3.30
Double Combination Y and ⅛ Bends		XH.	2.40	3.50	3.50	...	...	4.10
Long Combination Y and ⅛ Bends, 18" long		Std.	...	...	...	3.60	4.00	4.45
Long Combination Y and ⅛ Bends, 18" long		XH.	...	...	...	4.50	5.00	5.55
Long Combination Y and ⅛ Bends, 24" long		Std.	2.60	...	3.90	4.30	4.70	5.30
Long Combination Y and ⅛ Bends, 24" long		XH.	3.25	...	4.85	5.35	5.90	6.60
Long Combination Y and ⅛ Bends, 30" long		Std.	...	...	...	...	...	6.05
Long Combination Y and ⅛ Bends, 30" long		XH.	...	...	...	...	...	7.55
Long Combination Y and ⅛ Bends, 36" long		Std.	...	...	5.05	...	6.10	6.70
Long Combination Y and ⅛ Bends, 36" long		XH.	...	...	6.30	...	7.60	8.40
Ventilating Branches		Std.	.90	1.15	1.15	1.15	1.40	1.40
Ventilating Branches		XH.	1.10	1.40	1.40	1.40	1.85	1.85
Tapped Ventilating Branch		Std.	...	...	...	...	3.45	...
Tapped Ventilating Branch		XH.	...	...	...	...	4.00	...
Double Ventilating Branches		Std.	2.45	...	3.10	3.70	...	3.70

Size			(Inches) 5x2	5x3	5x4	5	6x2	6x3	6x4	6x5	6	8	10	12	15
Tapped Straight Cross		Std.	...	...	...	2.25	...	...	...	...	3.45	...	...	...	...
Tapped Straight Cross		XH.	...	...	...	2.80	...	...	...	...	4.30	...	...	...	...
Tapped Sanitary Cross (Tapped for 1¼", 1½" or 2" I.P.)		Std.	...	...	...	2.75	...	...	...	...	4.10	...	...	...	...
Tapped Sanitary Cross (Tapped for 1¼", 1½" or 2" I.P.)		XH.	...	...	...	3.40	...	...	...	...	5.10	...	...	...	...
Tapped Double Y (Tapped for 1¼", 1½" or 2" I.P.)		Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
Tapped Double Y (Tapped for 1¼", 1½" or 2" I.P.)		XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Long Crosses Long San Crosses Long Double Ys Long Double ½ Ys	12" long	Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
	12" long	XH.	...	...	...	5.40	...	...	...	...	6.10	...	...	...	...
	18" long	Std.	...	...	...	6.75	...	...	...	...	7.65	...	...	...	...
	18" long	XH.	...	...	...	6.10	...	...	...	...	7.00	...	...	...	...
	24" long	Std.	...	...	...	7.65	...	...	...	...	8.75	...	...	...	...
	24" long	XH.	...	...	...	6.90	...	...	...	...	7.95	...	...	...	...
	30" long	Std.	...	...	...	8.60	...	...	...	...	9.95	...	...	...	...
	30" long	XH.	...	...	...	7.70	...	...	...	...	8.85	...	...	...	...
	36" long	Std.	...	...	...	9.65	...	...	...	...	11.05	...	...	...	...
	36" long	XH.	2.45	2.45	3.10	3.40	3.70	3.70	4.95	4.95	4.95	...	...	...	...
Inverted Ys		Std.	3.05	3.05	3.85	4.60	4.60	4.60	6.15	6.15	...	...	...	...	...
Inverted Ys		XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Double Inverted Ys		Std.	...	...	...	2.80	...	...	...	...	3.40	...	...	...	...
Double Inverted Ys		XH.	...	...	...	3.50	...	...	...	...	4.25	...	...	...	...
Tapped Inverted Ys (Tapped for 1¼", 1½" or 2" I.P.)		Std.	3.70	3.70	3.70	3.70	5.55	5.55	5.55	5.55	5.55	11.00	18.00	24.00	...
Tapped Inverted Ys (Tapped for 1¼", 1½" or 2" I.P.)		XH.	4.60	4.60	4.60	4.60	6.90	6.90	6.90	6.90	6.90	13.50	22.65	30.00	...
Combination Y and ⅛ Bends		Std.	...	...	5.50	5.50	...	...	8.30	...	8.30	...	...	...	...
Combination Y and ⅛ Bends		XH.	...	...	6.90	6.90	...	...	10.35	...	10.35	...	...	...	...
Double Combination Y and ⅛ Bends		Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
Double Combination Y and ⅛ Bends		XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Long Combination Y and ⅛ Bends, 18" long		Std.	...	...	5.95	...	...	...	...	...	...	...	...	...	...
Long Combination Y and ⅛ Bends, 18" long		XH.	...	...	7.45	...	...	...	...	...	...	...	...	...	...
Long Combination Y and ⅛ Bends, 24" long		Std.	...	...	6.90	...	...	...	7.70	...	...	...	...	...	...
Long Combination Y and ⅛ Bends, 24" long		XH.	...	...	8.60	...	...	...	9.60	...	...	...	...	...	...
Long Combination Y and ⅛ Bends, 30" long		Std.	...	...	7.75	...	...	...	8.60	9.00	9.00	...	...	...	...
Long Combination Y and ⅛ Bends, 30" long		XH.	...	...	9.70	...	...	...	10.75	11.25	11.25	...	...	...	...
Long Combination Y and ⅛ Bends, 36" long		Std.	4.35	4.35	4.35	4.35	6.15	6.15	6.15	6.15	6.15	...	...	...	...
Long Combination Y and ⅛ Bends, 36" long		XH.	5.40	5.40	5.40	5.40	7.70	7.70	7.70	7.70	7.70	...	...	...	...
Ventilating Branches		Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
Ventilating Branches		XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Tapped Ventilating Branch		Std.	...	...	...	...	...	...	...	...	...	...	...	...	...
Tapped Ventilating Branch		XH.	...	...	...	...	...	...	...	...	...	...	...	...	...
Double Ventilating Branches		Std.	...	...	...	...	...	...	...	...	...	...	...	...	...

(Continued on next page)

EXTRA HEAVY *(Continued)*

Size		(Inches) 2	3x2	3	4x2	4x3	4
Double Ventilating Branches	XH.	3.05	...	3.85	4.60	...	4.60
Tapped Double Ventilating Branches	Std.	...	...	...	4.65	...	...
Tapped Double Ventilating Branches	XH.	...	...	...	5.80	...	...
Upright Y Branch	Std.	1.85	1.85	1.85	1.85	3.10	3.10
Upright Y Branch	XH.	2.30	2.30	2.30	2.30	3.85	3.85
Double Upright Ys take twice the list of single.							
H Branch	Std.	.95	1.45	1.45	2.15	...	2.15
H Branch	XH.	1.20	1.80	1.80	2.70	...	2.70
H Branch All Hub Ends	Std.	1.10	2.20	3.00	3.00	...	3.00
H Branch All Hub Ends	XH.	1.35	2.75	3.75	3.75	...	3.75
Double H Branch	Std.	...	...	...	...	...	2.70
Double H Branch	XH.	...	...	...	...	...	3.40
Reducing ¼ and ⅛ Bends	Std.	...	.90	...	1.25	1.30	...
Reducing ¼ and ⅛ Bends	XH.	...	1.10	...	1.50	1.60	...
Reducing ¼ and ⅛ Bends w/BTS-CO	Std.	...	...	...	...	...	...
Reducing ¼ and ⅛ Bends w/BTS-CO	XH.	...	...	...	...	...	...
Tee Saddle, Plain or Connolly	Std.	.75	.80	.80	.80	.90	.90
Tee Saddle, Plain or Connolly	XH.	.95	1.00	1.00	1.00	1.10	1.10
Y and ½ Y Saddle, Plain or Connolly	Std.	.80	.90	.90	.90	.95	.95
Y and ½ Y Saddle, Plain or Connolly	XH.	1.00	1.10	1.10	1.10	1.15	1.15
Plain Pipe Bands	Std.	.90	...	1.00	...	...	1.15
Plain Pipe Bands	XH.	1.10	...	1.25	...	...	1.40
Pipe Bands with Tee or Y Branch	Std.	1.05	1.20	1.20	1.30	1.35	1.50
Pipe Bands with Tee or Y Branch	XH.	1.30	1.45	1.45	1.60	1.70	1.85
Washington Special Y Thimble	XH.	...	...	...	...	...	...

(Inches) 5x2	5x3	5x4	5	6x2	6x3	6x4	6x5	6	8	10	12	15
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
3.70	4.35	4.90	5.50	4.90	4.90	5.50	6.15	7.35	...	...	...	...
4.60	5.40	6.15	6.90	6.15	6.15	6.90	7.70	9.20	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	...	...	...	...	...	...	...	...	...	...	...
...	...	1.90	...	...	...	2.40	...	...	...	...	...	...
...	...	2.20	...	...	...	3.00	...	...	...	...	...	...
...	...	...	...	...	...	3.50	...	...	...	...	...	...
...	...	...	...	...	...	4.35	...	...	...	...	...	...
.90	.95	1.00	1.00	1.00	1.00	1.00	1.05	1.15	...	...	...	...
1.10	1.15	1.25	1.25	1.25	1.25	1.25	1.30	1.40	...	...	...	...
.95	1.00	1.05	1.05	1.15	1.15	1.15	1.25	1.25	4.00	...	...	...
1.15	1.25	1.30	1.30	1.40	1.40	1.40	1.55	1.55	6.00	...	...	...
...	...	...	1.35	...	...	...	...	1.60	4.50	...	...	...
...	...	...	1.70	...	...	...	...	2.00	7.50	...	...	...
1.60	1.60	1.75	1.85	1.95	1.95	2.10	2.20	2.50	9.40	...	...	...
2.00	2.00	2.15	2.30	2.45	2.45	2.60	2.75	3.10	11.75	...	...	...
...	...	...	...	...	...	2.10	2.35	2.60	...	...	...	...

STANDARD

	(Inches) 2	3	4	5	6	8	10	12	15
Traps, S, ¾ S, ½ S or P and Running, Plain	.90	1.15	1.50	4.30	4.95	10.00	18.00	28.00	60.00
Ditto with 2" Vent	1.20	1.35	2.20	4.55	5.25	....	....	....	....
Ditto with 3" Vent	...	1.35	2.20	4.55	5.25	....	....	....	....
Ditto with 4" Vent	...	...	2.20	4.55	5.25	12.00	21.60	....	....
Ditto with 5" Vent	...	...	...	4.55	5.25	....	....	....	....
Ditto with 6" Vent	...	...	...	...	5.25	12.00	21.60	32.00	75.00
Ditto with 8" Vent	...	...	...	...	...	....	21.60	32.00	75.00
Running Traps with 2" Double Vent	1.60	1.80	2.60	...	...	....	....	....	....
Ditto with 3" Vent	...	1.80	...	...	...	....	....	....	....
Ditto with 4" Vent	...	...	2.60	4.80	5.60	13.60	24.00	....	....
Ditto with 5" Vent	...	...	...	4.80	...	....	....	....	....
Ditto with 6" Vent	...	...	...	...	5.60	13.60	24.00	35.00	85.00
Ditto with 8" Vent	...	...	...	...	...	....	24.00	35.00	85.00
Traps, S, ¾ S, ½ S or P and running w/HH&C	1.25	1.85	2.50	4.95	5.55	10.75	22.00	32.00	68.00
Traps, ditto w/HH&C and 2" Heel Inlet	2.25	2.85	3.50	5.95	6.55	11.75	....	....	....
Traps Plain ½ S or P tapped ½" or ⅓" heel	...	...	1.75	...	...	....	....	....	....
Traps San Francisco, ½ S or P, 2" HH Inlet	...	...	...	...	...	....	....	....	....
Traps, Deep Seal, S. ¾ S, ½ S or P and Rg	1.25	1.75	2.50	3.50	4.75	....	....	....	....
Traps, ditto with 2" Vent	1.60	2.00	...	...	...	....	....	....	....
Traps, ditto with 4" Vent	...	...	2.80	4.40	5.50	....	....	....	....

(Continued on next page)

Copyright, February 27, 1942, Research Institute.

	STANDARD (Cont'd) (Inches)								
	2	3	4	5	6	8	10	12	15
Traps, Running with 4″ Y or ½ Y Vent	...	...	4.95	...	6.50	....	....	....	....
Traps, Running with 5x4″ Red. with 4″ SHV	...	...	. .	...	...	....	....	....	....
Traps, Running with 5x4″ Red. with 4″ DVH	...	...	...	...	...	....	....	....	....
Traps, Running with 6x4″ Red. with 4″ SHV	...	...	...	...	...	....	....	....	....
Traps, Running with 6x4″ Red. with 4″ Y Vent	...	...	...	...	...	....	....	....	....
Traps, Improved Running, Single Cleanout	1.70	2.50	3.45	5.40	6.20	....	....	....	....
Traps, Improved Running, Double Cleanout	2.40	3.20	3.90	6.60	7.40	20.00	....	....	....
Spigot End Vent Caps	.60	.70	.90	1.85	2.00	6.00	9.60	....	....
Spigot End Vent Caps, 12″ long	.70	1.15	1.30	3.60	4.15	....	....	....	....
Spigot End Vent Caps, 14″ long	...	...	1.95	3.80	...	....	....	....	....
Spigot End Vent Caps, 18″ long	1.30	...	3.25	4.50	4.75	....	....	....	....
Spigot End Vent Caps 20″ long	...	...	3.50	...	...	....	....	....	....
Spigot End Vent Caps 30″ long	...	...	5.05	...	...	....	....	....	....
Hub End Vent Caps	1.15	1.20	1.30	2.20	2.60	....	....	....	....
Hub End Vent Caps 12″ long	1.15	1.45	1.60	3.90	4.40	....	....	....	....
Hub End Vent Caps 18″ long	1.45	...	3.50	4.80	5.05	....	....	....	....
Hub End Vent Caps 20″ long	...	...	3.75	...	...	....	....	....	....
Hub End Vent Caps 30″ long	...	...	5.30	...	...	....	....	....	....
Vent Cap with Set Screw	.60	.65	.80	1.25	1.55	....	....	....	....
Ready Vent Cap	.60	.65	.80	1.25	1.55	....	....	....	....
Fresh Air Inlet Standard Pattern	.90	1.00	1.10	...	...	....	....	....	....
Fresh Air Inlet 4x12″ Pattern	...	...	1.60	...	...	....	....	....	....
Fresh Air Inlet Pittsburgh Pattern	.40	.50	.65	.85	1.25	....	....	....	....
Floor Plates	.40	.60	.75	.80	1.00	....	....	....	....
Roof Irons	.95	.95	1.05	1.25	1.55	....	....	....	....
Pipe Plugs	.25	.40	.45	.60	.75	1.20	2.60	3.45	5.60
Sleeves	.60	.75	.75	1.25	1.85	2.80	4.85	8.65	17.85
Bar Grates	.10	.15	.20	.25	.30	.45	.90	....	....
Bar Grates with Legs	.20	.30	.40	.50	.60	....	....	....	....
Plain Pipe Rests	.30	.40	.40	.75	.95	1.75	2.15	3.45	5.60
Open Pipe Rests	.30	...	.40	...	...	....	....	....	....
Pipe Rests Tapped for I.P.	.65	.85	1.00	1.20	1.45	2.35	3.60	....	....
Single Hub Fittings	.50	.65	.70	1.25	1.85	2.50	3.90	....	....
Double Hub Fittings	.40	.50	.60	1.00	1.25	2.80	4.85	8.65	17.85
Tapped Hubs	...	...	...	...	...	....	....	....	....
Tee Cleanout with Round Handhole and Cover	1.05	1.70	1.85	2.45	3.70	5.00	....	....	....
Tee Cleanout with Square HH&C	1.20	1.90	2.10	3.20	4.30	....	....	....	....
Washington Test Tee with Brass Plugs	...	...	...	...	...	....	....	....	....
Washington Test Tee with Iron Plugs	...	...	...	...	...	....	....	....	....
Washington Test Tee with no Plug	...	...	...	...	...	....	....	....	....
Philadelphia Test Tee	1.30	1.60	1.90	2.75	3.85	....	....	....	....
Tee Cleanout with Trap Screw on Branch	1.50	1.70	1.70	3.25	3.70	10.00	13.50	17.50	....
San Tee or Y with Bts on Main or Branch	1.50	1.95	2.45	4.30	4.95	....	....	....	....
Combination Y and 1/3 Bend with Bts on Main	1.85	2.45	3.10	4.95	6.15	....	....	....	....
Ditto, California Pattern	1.50	1.95	2.45	...	...	....	....	....	....
Closet TY without Vent R or L Inlet	...	...	2.60	...	...	....	....	....	....
Closet TY without Vent R and L Inlet	...	...	3.80	...	...	....	....	....	....
Closet TY with Vent R and L Inlet	...	...	3.00	...	...	....	....	....	....
Closet TY with Vent R and L Inlet	...	...	4.20	...	...	....	....	....	....
Wisconsin San Tee with one 2″ Inlet	...	3.00	3.20	...	...	....	....	....	....
Wisconsin San Tee with two 2″ Inlet	...	3.75	4.00	...	...	....	....	....	....
Boston Long TY with one 2″ Vent	2.05	...	2.70	...	...	....	....	....	....
Double Angle Y Branches	1.90	3.20	3.60	4.60	5.80	....	....	....	....

	EXTRA HEAVY (Inches)								
	2	3	4	5	6	8	10	12	15
Traps, S, ¾ S, ½ S or P and Running, Plain	1.10	1.40	1.85	5.40	6.15	13.00	23.00	35.00	75.00
Ditto with 2″ Vent	1.50	1.70	2.75	5.70	6.50	....	....	....	....
Ditto with 3″ Vent	...	1.70	2.75	5.70	6.50	....	....	....	....
Ditto with 4″ Vent	...	...	2.75	5.70	6.50	15.00	27.00	....	....
Ditto with 5″ Vent	...	...	...	...	6.50	....	....	....	....
Ditto with 6″ Vent	...	...	...	...	6.50	15.00	27.00	40.00	90.00
Ditto with 8″ Vent	...	...	...	...	...	....	27.00	40.00	90.00
Running Traps with 2″ Double Vent	2.00	2.25	3.25	...	...	....	....	....	....
Ditto with 3″ Vent	...	2.25	...	...	...	....	....	....	....
Ditto with 4″ Vent	...	...	3.25	6.00	7.00	17.00	30.00	....	....
Ditto with 5″ Vent	...	...	...	6.00	...	....	....	....	....
Ditto with 6″ Vent	...	...	...	...	7.00	17.00	30.00	43.00	100.00
Ditto with 8″ Vent	...	...	...	...	...	....	30.00	43.00	100.00
Traps, S, ¾ S, ½ S or P and running w/HH&C	1.55	2.30	3.10	6.15	6.90	13.75	27.75	40.00	85.00
Traps, ditto w/HH&C and 2″ Heel Inlet	2.55	3.30	4.10	7.15	7.90	14.75	....	....	....
Traps Plain ½ S or P tapped ½″ or ⅓″ heel	...	...	2.10	...	...	....	....	....	....
Traps San Francisco, ½ S or P, 2″ HH Inlet	...	2.40	...	...	...	....	....	....	....
Traps, Deep Seal, S, ¾ S, ½ S or P and Rg	1.55	2.20	3.15	4.40	5.90	....	....	....	....
Traps, ditto with 2″ Vent	2.00	2.50	...	...	...	....	....	....	....
Traps, ditto with 4″ Vent	...	...	3.50	5.50	6.50	....	....	....	....
Traps, Running with 4″ Y or ½ Y Vent	...	...	6.15	...	8.00	....	....	....	....

(Continued on next page)

EXTRA HEAVY *(Cont'd)*

	(Inches) 2	3	4	5	6	8	10	12	15
Traps, Running with 5x4" Red. with 4" SHV	...	...	...	6.00	...	....	....	....	....
Traps, Running with 5x4" Red. with 4" DVH	...	...	...	7.00	...	....	....	....	....
Traps, Running with 6x4" Red. with 4" SHV	...	...	...	...	7.00	....	....	....	....
Traps, Running with 6x4" Red. with 4" Y Vent	...	...	...	...	8.00	....	....	....	....
Traps, Improved Running, Single Cleanout	2.10	3.10	4.30	6.75	7.75	....	....	....	....
Traps, Improved Running, Double Cleanout	3.00	4.00	4.90	8.25	9.25	25.00	....	....	....
Spigot End Vent Caps	.75	.85	1.10	2.25	2.50	7.50	12.00	....	....
Spigot End Vent Caps, 12" long	.85	1.45	1.65	4.50	5.20	....	....	....	....
Spigot End Vent Caps, 14" long	...	...	2.45	4.75	...	....	....	....	....
Spigot End Vent Caps, 18" long	1.65	...	4.05	5.60	5.95	....	....	....	....
Spigot End Vent Caps 20" long	...	...	4.35	...	...	....	....	....	....
Spigot End Vent Caps 30" long	...	...	6.30	...	...	....	....	....	....
Hub End Vent Caps	1.40	1.45	1.55	2.75	3.25	....	....	....	....
Hub End Vent Caps 12" long	1.45	1.80	2.00	4.85	5.50	....	....	....	....
Hub End Vent Caps 18" long	1.80	...	4.40	6.00	6.30	....	....	....	....
Hub End Vent Caps 20" long	...	...	4.65	...	...	....	....	....	....
Hub End Vent Caps 30" long	...	...	6.65	...	...	....	....	....	....
Vent Cap with Set Screw	.60	.65	.80	1.25	1.55	....	....	....	....
Ready Vent Cap	.60	.65	.80	1.25	1.55	....	....	....	....
Fresh Air Inlet Standard Pattern	1.15	1.25	1.40	...	...	....	....	....	....
Fresh Air Inlet 4x12" Pattern	...	...	2.00	...	...	....	....	....	....
Fresh Air Inlet Pittsburgh Pattern	.50	.60	.80	.95	1.50	....	....	....	....
Floor Plates	.50	.75	.90	1.00	1.25	3.00	....	....	....
Roof Irons	1.20	1.20	1.25	1.50	1.80	....	....	....	....
Pipe Plugs	.30	.45	.60	.75	.90	1.50	3.25	4.30	7.00
Sleeves	.75	.90	.90	1.55	2.30	3.50	6.20	10.80	22.30
Bar Grates	...	...	...	...	...	....	....	....	....
Bar Grates with Legs	...	...	...	...	...	....	....	....	....
Plain Pipe Rests	.40	.45	.45	.90	1.15	2.25	3.25	4.30	7.00
Open Pipe Rests	.40	...	.45	...	...	....	....	....	....
Pipe Rests Tapped for I.P.	.75	1.00	1.15	1.40	1.75	3.00	4.35	....	....
Single Hub Fittings	.60	.90	.90	1.55	2.45	3.50	4.85	....	....
Double Hub Fittings	.45	.75	.75	1.25	1.55	3.50	6.20	10.80	22.30
Tapped Hubs	1.50	2.00	2.50	...	...	....	....	....	....
Tee Cleanout with Round Handhole and Cover	1.25	2.15	2.30	3.05	4.60	7.50	....	....	....
Tee Cleanout with Square HH&C	1.50	2.40	2.65	4.00	5.35	26.00	34.00	39.00	49.50
Washington Test Tee with Brass Plugs	3.00	3.75	4.25	5.50	8.00	16.25	....	....	....
Washington Test Tee with Iron Plugs	1.90	2.00	2.50	3.75	5.00	11.00	....	....	....
Washington Test Tee with no Plug	1.50	1.75	2.10	2.90	3.80	....	....	....	....
Philadelphia Test Tee	1.60	2.00	2.40	3.45	4.80	....	....	....	....
Tee Cleanout with Trap Screw on Branch	1.85	2.15	2.15	4.00	4.60	12.50	17.50	22.50	....
San Tee or Y with Bts on Main or Branch	1.85	2.45	3.05	5.40	6.15	....	....	....	....
Combination Y and 1/3 Bend with Bts on Main	2.30	3.05	3.85	6.15	7.70	....	....	....	....
Ditto, California Pattern	1.85	2.45	3.05	...	...	....	....	....	....
Closet TY without Vent R or L Inlet	...	...	3.25	...	...	....	....	....	....
Closet TY without Vent R and L Inlet	...	...	4.75	...	...	....	....	....	....
Closet TY with Vent R or L Inlet	...	...	3.75	...	...	....	....	....	....
Closet TY with Vent R and L Inlet	...	...	5.25	...	...	....	....	....	....
Wisconsin San Tee with one 2" Inlet	...	3.70	4.00	...	...	....	....	....	....
Wisconsin San Tee with two 2" Inlet	...	4.70	5.00	...	...	....	....	....	....
Boston Long TY and Long Y with 2" Vent	2.30	...	3.15	...	...	....	....	....	....
Double Angle Y Branches	2.40	4.00	4.50	5.75	7.25	....	....	....	....

Size		(Inches) 3x2 x2	3x2 x3	3x2 x4	3x3 x3	3x3 x4	3x4 x3	4x2 x2	4x2 x4	4x3 x4	4x4 x4
Reducing San Tees and Ys	Std.	2.20	2.20	2.95	...	...	2.95	2.95	2.95	2.95	...
	XH	2.50	2.50	3.70	...	...	3.70	3.70	3.70	3.70	...
Special Pittsburgh Reducing San Tee & Y Branch.	Std.	...	...	...	...	1.70	...	...	...	...	...
	XH	...	...	...	...	2.15	...	...	...	...	...
Reducing Combination Y and 1/3 Bend	Std.	...	...	...	...	...	...	...	3.20	...	...
	XH	...	...	...	...	...	...	...	4.00	...	...
Washington Pat. Comb. Y and 1/3 Bend	Std.	...	...	...	...	2.00	...	...	...	...	...
	XH	...	...	...	...	2.50	...	...	...	...	...
Combination San Tee with one 45° Angle Tap	Std.	...	...	...	2.35	3.00	...	...	...	...	...
	XH	...	...	...	2.60	3.35	...	...	...	...	3.00
Combination San Tee with two 45° Angle Taps	Std.	...	...	...	3.35	3.70	...	...	...	...	3.35
	XH	...	...	...	3.60	4.00	...	...	...	...	3.70
Combination San Cross with four 45° Angle Taps.	Std.	...	...	...	4.65	5.80	...	...	...	...	4.00
	XH	...	...	...	6.00	6.15	...	...	...	...	5.80
											6.15

Size		(Inches) 5x3 x4	5x4 x4	5x4 x5	6x3 x4	6x4 x4	6x4 x5	6x4 x6	6x5 x4	6x5 x5	6x5 x6
Reducing San Tees and Ys	Std.	3.80	3.80	3.80	4.60	4.60	4.60	4.60	4,60	4.60	4.60
	XH	4.75	4.75	4.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Special Pittsburgh Reducing San Tee & Y Branch.	Std.	...	...	...	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...
		...	...	7.00	...	...	...	...	...	...	...

(Continued on next page)

Copyright, February 27, 1942, Research Institute.

EXTRA HEAVY *(Cont'd)*

Size		5x3 x4	5x4 x4	5x4 x5	6x3 x4	6x4 x4	6x4 x5	6x4 x6	6x5 x4	6x5 x5	6x5 x6
					(Inches)						
Reducing Combination Y and 1/3 Bend.....	Std.	...	...	8.00	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...
Washington Pat. Comb. Y and 1/3 Bend.....	Std.	...	...	...	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...
Combination San Tee with one 45° Angle Tap....	Std.	...	...	...	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...
Combination San Tee with two 45° Angle Taps..	Std.	...	...	...	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...
Combination San Cross with four 45° Angle Taps.	Std.	...	...	...	...	...	...	...	...	...	...
	XH	...	...	...	...	...	...	...	...	...	...

Medium Fittings Take Same Lists as Standard.

Issued February 5, 1942.

LEON HENDERSON, *Administrator.*

* Sections 1306.301 to 1306.310, inclusive, issued pursuant to authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483.

Iron and Steel Scrap—Allocation

Vf·200. Full priority control of iron and steel scrap. Facing a situation that threatened to shut down or curtail the operations of steel mills working at full capacity on defense orders, the Director of Priorities, in Order No. M-24, issued October 11, 1941, placed iron and steel scrap under full priority control. The order, designed to relieve serious day-to-day shortages, authorizes the Director of Priorities to issue specific directions for deliveries of scrap.

Among the more important provisions of the order are the following:

(1) The provisions and controls of Priorities Regulation No. 1 are specifically extended to the iron and steel scrap industry. It requires the acceptance and preferential treatment of defense orders, prescribes the sequence in which deliveries shall be made, and establishes certain requirements for the keeping of records, etc. These provisions are effective at once. (See ¶s R·660 et seq.)

(2) Monthly reports are required of producers, consumers, dealers, and brokers, who are defined in the order. Forms of reports with complete instructions will be furnished shortly. These forms may be reproduced by persons for their own use or additional copies may be obtained from the Iron and Steel Branch, Office of Production Management. Note that the order requires the filing of reports on the 15th day of each month, covering the preceding month. The first report is due on November 15, 1941.

(3) The Director of Priorities is given broad powers to control deliveries of scrap. This provision is effective at once.

Observation: Producers of scrap will be notified from time to time of rulings and interpretations under this order. Any questions which may arise under the terms of this order should be addressed to Mr. A. D. Whiteside, Chief, Iron and Steel Branch, Office of Production Management, Washington, D. C.

Vf·201. Text of General Preference Order No. M-24 for iron and steel scrap. The following is the text of General Preference Order No. M-24 to conserve the supply and direct the distribution of iron and steel scrap, issued October 11, 1941:

Part 965—IRON AND STEEL SCRAP

General Preference Order No. M-24

To Conserve the Supply and Direct the Distribution of Iron and Steel Scrap

WHEREAS, the national defense requirements have created a shortage of iron and steel scrap for defense, for private account, and for export, and it is necessary in the public interest and to promote the defense of the United States to conserve the supply and direct the distribution thereof.

NOW, THEREFORE, IT IS HEREBY ORDERED:

965.1 GENERAL PREFERENCE ORDER. (a) *Priority Control.* All the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this Order

with the same effect as if specifically set forth herein, except as otherwise specifically provided herein.

(b) *Additional Definitions.* For the purposes of this Order:

(1) "Scrap" means "all ferrous materials, either alloyed or unalloyed, of which iron or steel is a principal component, which are the waste of industrial fabrication, or objects that have been discarded on account of obsolescence, failure or other reason."

(2) "Producer" means any person who produces Scrap in the conduct of a business or other enterprise.

(3) "Dealer" and/or "Broker" means any person who, as principal or as agent, buys and sells Scrap in the regular course of his business.

(4) "Consumer" means any person who uses Scrap in the production of iron, steel or ferro-alloy material or products.

(c) *Provisions relating to Producers.* On or before the 15th day of each month, beginning November 15, 1941, Producers who have during the preceding month produced 20 gross tons or more of Scrap shall file reports as prescribed by the Director of Priorities showing Scrap inventory, production and sales, and such other information as the Director may from time to time require.

(d) *Provisions relating to Dealers and Brokers.* On or before the 15th day of each month, beginning November 15, 1941, Dealers and Brokers shall file reports as prescribed by the Director of Priorities, showing Scrap inventory, purchases and sales, and such other information as the Director may from time to time require.

(e) *Provisions relating to Consumers.* On or before the 15th day of each month, beginning November 15, 1941, Consumers shall file reports as prescribed by the Director of Priorities, showing Scrap inventory, production, receipts and consumption, and such other information as the Director may from time to time require.

(f) *Special Instructions.* The Director of Priorities may from time to time issue specific directions to any person as to the source, destination, or amount of Scrap to be delivered or acquired by such person.

(g) *Violations.* Any person affected by this Order who falsifies records or reports which he is required by this Order to keep or file, or who violates any other provision of this Order or any other Order, regulation, or other directive issued by the Office of Production Management may be prohibited by the Director of Priorities from making or receiving deliveries of Scrap, or may be subjected to such other or further action as the Director may deem appropriate.

(h) *Effective Dates.* This Order shall take effect immediately, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of June, 1942.

Issued this 11th day of October, 1941.

.....
DONALD M. NELSON, *Director of Priorities.*

Copyright, November 22, 1941, The Research Institute of America, Inc.

Vf·202. Scrap price and priority forms merged. A merger of iron and steel scrap reporting requirements was announced jointly November 12, 1941 by the United States Bureau of Mines, the Office of Production Management and the Office of Price Administration. Forms PD-149, 150 and 151 were issued to cover the entire field of iron and steel scrap reporting.

Form PD-149 applies to producers. Any person or corporation producing at least 50 gross tons of iron and steel scrap during October, 1941, must file a return. Figures on stocks, shipments, estimated production, sales and unfilled orders, all by grade, must be reported for each plant or location. If the producer is also a consumer of scrap, he files only a consumer's form (PD-150).

Form PD-150 applies to consumers. It combines the former OPA Form 104:8 revised and the Bureau of Mines Form 6-830a MC. It calls for figures on stocks, production, receipts, delivered prices and consumption, all by grades.

Form PD-151 applies to dealers and brokers. It replaces the Bureau of Mines suppliers' Form 6-830a MD, and covers stocks, shipments, purchases, sales, unfilled orders and shipments, all by grade.

All three forms are returnable to the Bureau of Mines, at Pittsburgh, Pennsylvania, and not to either the OPM or OPA.

Questionnaires sent out during November, 1941, are designed to cover the October operations of scrap producers, dealers, brokers and consumers. The former survey of alloy steel scrap provided in Form 144 has been put on a monthly basis by including all alloy scrap grades in the revised questionnaires. They must be returned to the Pittsburgh bureau by November 20. Further monthly report forms will originate in the Bureau of Mines.

Purposes of these reports are twofold:

(1) To develop a general policy for the distribution of scrap under General Preference Order M-24.

(2) To assist in price control of scrap.

Failure to receive forms does not mean exemption from reporting but rather places an obligation on the producer, broker or consumer to obtain them on his own initiative. They may be obtained from the Office of the Bureau of Mines at Pittsburgh, or from any Field Office of the Division of Priorities, Office of Production Management.

All forms may be reproduced. They are returnable to the Bureau of Mines at Pittsburgh and all inquiries concerning them should be addressed to that office.

¶ ***observation:*** Probably the most important feature of this merger of priorities and price forms is that it indicates the forthcoming integration of the price and allocation administrations.

Vf·203. Form PD-149—producers' report of stocks, production and shipments of October scrap. The following is the text of producers' report of stocks, production and shipments of October scrap:

PD-149

FOR NATIONAL DEFENSE
PLEASE RUSH!

(This form may be obtained from the Bureau of Mines, Pittsburgh, Pa., or may be reproduced. Use exact form and size)

CONFIDENTIAL
(For use of Federal Defense Agencies only)

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

PRODUCERS' REPORT OF STOCKS, PRODUCTION AND SHIPMENTS OF IRON AND STEEL SCRAP FOR THE MONTH OF OCTOBER 1941

NAME OF PRODUCER

ADDRESS

This form is prescribed pursuant to General Preference Order M-24. Two copies must be filed not later than the 20th of November with the BUREAU OF MINES, PITTSBURGH, PA., *not* with the Office of Production Management.

Before filling in this form, see the reverse side for instructions. All figures must be in GROSS TONS. Report each plant or place of scrap production separately.

1. Location of plant (or place) covered by this report: .....

2. Stocks and Shipments During October:

GRADES OF SCRAP	STOCKS ON HAND SEPTEMBER 30 [1] (Gross tons)	SHIPPED DURING OCTOBER —		STOCKS ON HAND OCTOBER 31		ESTIMATED SCRAP PRODUCTION DURING NOVEMBER (Gross tons)	ESTIMATED SCRAP PRODUCTION DURING DECEMBER (Gross tons)
		To Consumers [2] (Gross tons)	To Others [3] (Gross tons)	Sold (Gross tons)	Unsold (Gross tons)		
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
No. 1 heavy melting							
No. 2 heavy melting							
Bundles							
Low phos scrap							
Cast scrap							
Turnings and/or borings							
Rerolling rails							
Scrap rails							
Chromium-nickel stainless steel							
Chromium base stainless steel							
All compositions of SAE low alloy steels							
All other prepared scrap							
Unprepared scrap							
TOTAL SCRAP (All grades)							

[1] Include all stocks actually on hand, whether sold or not.
[2] Include only shipments of scrap invoiced by you to consumers.
[3] Include shipments of scrap invoiced by you to dealers or brokers.

Copyright, November 22, 1941, The Research Institute of America, Inc.

3. Sales and Shipments During October.

Name and Address of Customer	Grade [1]	Tonnage Sold During October (Gross tons)	Tonnage Shipped During October (Gross tons)	Tonnage Owed October 31 [2] (Gross tons)	Name and Address of Consignee
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6

[1] In column 2 enter each grade separately, using grades as listed in the Office of Price Administration's Price Schedule No. 4, showing each unprepared and superior or inferior grade separately. For railroad scrap, give grade of scrap and name of railroad from which the scrap originated.
[2] In column 5 include tonnage sold previously but not shipped by October 31.

INSTRUCTIONS FOR FILLING IN FORM PD–149

Number of copies.—Prepare three copies of this form and forward original and second copy directly to the Bureau of Mines, Pittsburgh, Pa. The third copy is to be kept for your own files. Do *not* send any copies to the Office of Production Management. A separate form should be made out for each plant or place of scrap production.

When to file.—This form must be filed with the Bureau of Mines, Pittsburgh, Pa., not later than the 20th of November.

Who should file.—Form PD–149 must be filed for each plant or location which produced 50 gross tons or more of iron or steel scrap in October, unless the plant is also a consumer of scrap, in which case the report for this plant should be made on Form PD–150 instead of this form.

Section 35 (A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency in the United States.

The undersigned certifies that he executed the above statement on behalf of and by the authority of the company filing this report, and that the information contained in this report, is correct and complete to the best of his knowledge and belief.

Prepared by _____
(Name of official)

_____ _____
(Date) (Title)

Copyright, April 7, 1942, Research Institute.

Vf·204. Form PD-150 (rev. 1/15/42)—monthly consumers' report of stocks, consumption and production of iron and steel scrap.

PD-150
(Revised 1-15-42)

FOR NATIONAL DEFENSE
PLEASE RUSH

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

CONFIDENTIAL
(For use of Federal Defense Agencies only)

CONSUMERS' REPORT OF STOCKS, CONSUMPTION AND PRODUCTION OF IRON AND STEEL SCRAP FOR THE MONTH OF _____

NAME OF CONSUMER

ADDRESS

This form is prescribed pursuant to General Preference Order M-24. Three copies must be filed not later than the 15th of the month following the month covered by the report with the BUREAU OF MINES, PITTSBURGH, PA., *not* with the Office of Production Management. All copies must be signed.

Before filling in this form, see next to the last page for instructions. All figures must be in GROSS TONS. Prepare a single report covering all plants located in the same city. Prepare a separate report for plants located in different cities.

1. Location of plant _____

2. Scrap and Pig Iron Used This Month by Type of Equipment:

TYPE OF EQUIPMENT	HOME SCRAP USED DURING THE MONTH (Gross tons)	PURCHASED SCRAP USED DURING THE MONTH (Gross tons)	TOTAL SCRAP USED DURING THE MONTH (Gross tons)	PIG IRON USED DURING THE MONTH (Include Molten Metal) (Gross tons)
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Beesemer converters				
Open hearth furnaces				
Electric furnaces				
Cupola furnaces				
Air furnaces				
Blast furnaces				X X X X X X X X
Other furnaces (specify):				
_____				
_____				
TOTAL				

3. Production This Month by Cupola and Air Furnaces:

	HOME SCRAP (Gross tons)	CASTINGS (Gross tons)
Cupola furnaces		
Air furnaces		

(OVER)

16—24390-8

(This form may be obtained from the Bureau of Mines, Pittsburgh, Pa., or may be reproduced. Use exact form and size)

4. As of end of month, state percent of your unfilled orders and commitments which had priority rating of A–10 or higher _____%.

5. Tonnages Purchased, Received, and Due During the Month:

NAME AND ADDRESS OF SUPPLIER	GRADE[1]	SCRAP RECEIVED DURING THE MONTH				TONNAGE PURCHASED DURING THE MONTH (Gross tons)	TONNAGE DUE END OF MONTH (Gross tons)
		Gross Tons	PRICE PAID		Brokerage Fee Paid		
			Delivered[2]	At Shipping Point[3]			

5. Tonnages Purchased, Received, and Due During the Month:—Continued

NAME AND ADDRESS OF SUPPLIER	GRADE [1]	SCRAP RECEIVED DURING THE MONTH				TONNAGE PURCHASED DURING THE MONTH (Gross tons)	TONNAGE DUE END OF MONTH [4] (Gross tons)
		Gross Tons	PRICE PAID		Brokerage Fee Paid		
			Delivered [2]	At Shipping Point [3]			

6. Stocks by Grade of Scrap:

GRADES OF SCRAP	STOCKS ON HAND END OF PREVIOUS MONTH		SCRAP CONSUMED DURING THE MONTH		Scrap Otherwise Disposed of During the Month (Gross tons)	STOCKS ON HAND END OF MONTH		Scrap Due End of Month[1] (Gross tons)	Estimated Production of Scrap During First Month Following Month Reported (Gross tons)	Estimated Consumption of Purchased Scrap During First Month Following Month Reported (Gross tons)
	Home (Gross tons)	Purchased (Gross tons)	Home (Gross tons)	Purchased (Gross tons)		Home (Gross tons)	Purchased (Gross tons)			
No. 1 Heavy melting										
No. 2 Heavy melting										
Bundles										
Low phos scrap										
Cast scrap										
Turnings and/or borings										
Rerolling rails										
Scrap rails										
Chromium-nickel stainless steel										
Chromium base stainless steel										
All compositions of SAE low-alloy steels										
All other prepared scrap										
Unprepared scrap										
TOTAL SCRAP (all grades)										

16—24310-6

7. Stocks of Pig Iron on Hand:

End of last month (gross tons) _____

End of this month (gross tons) _____

[1] Scrap purchased or otherwise acquired previously but not delivered to you by end of month reported.

Copyright, April 7, 1942, Research Institute.

(The next page is 60,209)

Vf·205. Form PD-151—dealers' and brokers' report of stocks, receipts and shipments of October scrap. The following is the text of dealers' and brokers' report of stocks, receipts and shipments of October scrap:

PD-151

(This form may be obtained from the Bureau of Mines, Pittsburgh, Pa., or may be reproduced. Use exact form and size.)

CONFIDENTIAL

(For use of Federal Defense Agencies only)

FOR NATIONAL DEFENSE
PLEASE RUSH!

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

DEALERS' AND BROKERS' REPORT OF STOCKS, RECEIPTS AND SHIPMENTS OF IRON AND STEEL SCRAP FOR THE MONTH OF OCTOBER 1941

NAME OF DEALER OR BROKER

ADDRESS

This form is prescribed pursuant to General Preference Order M-24. Two copies must be filed not later than the 20th of November with the BUREAU OF MINES, PITTSBURGH, PA., *not* with the Office of Production Management.

Before filling in this form, see the last sheet for instructions. All figures must be in GROSS TONS. Report each yard or dismantling project separately.

1. Location of Yard or Dismantling Project: .....

2. Stocks and Shipments During October:

GRADES OF SCRAP	Stocks on Hand September 30 [1] (Gross tons)	Shipped During October		Stocks on Hand October 31		Scrap Due October 31 [4] (Gross tons)
		To Consumers [2] (Gross tons)	To Others [3] (Gross tons)	Sold (Gross tons)	Unsold (Gross tons)	
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
No. 1 Heavy melting						
No. 2 Heavy melting						
Bundles						
Low phos scrap						
Cast scrap						
Turnings and/or borings						
Rerolling ls						
Scrap rails						
Chromium-nickel stainless steel						
Chromium base stainless steel						
All compositions of SAE low alloy steels						
All other prepared scrap						
Unprepared scrap						
TOTAL SCRAP (all grades)						

[1] Include all stocks actually in your yards or dismantling projects, whether sold or not.
[2] Include only shipments invoiced by you to consumer.
[3] Include shipments invoiced by you to other brokers or dealers.
[4] Include all scrap purchased or otherwise acquired at any time but not delivered to you by October 31.

3. Purchases during October:

NAME AND ADDRESS OF SUPPLIER (Do not list peddlers separately. For purchases from peddlers, enter in this column "From Peddlers" using a separate line for the total of each grade purchased from peddlers.[1])	Grade [2]	TONNAGE PURCHASED DURING OCTOBER (Gross Tons)	TONNAGE DUE OCTOBER 31 [3] (Gross Tons)	NAME AND ADDRESS OF CONSIGNEE (All purchases coming to your yard should be included. In such cases enter "Own yard" in this column)
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5

[1] For definition of peddler, see Instructions, back of next page.
[2] In column 2 enter each grade separately, using grades as listed in the Office of Price Administration's Price Schedule No. 4, showing each unprepared and superior or inferior grade separately. For railroad scrap, give grade of scrap and name of railroad from which scrap originated.
[3] In column 4 include tonnage purchased previously but not received by October 31.

4. Sales during October:

NAME AND ADDRESS OF CUSTOMER	GRADE [1]	TONNAGE SOLD DURING OCTOBER (Gross Tons)	TONNAGE OWED OCTOBER 31 [2] (Gross Tons)	NAME AND ADDRESS OF CONSIGNEE
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5

[1] In Column 2 enter each grade separately, using grades as listed in the Office of Price Administration's Price Schedule No. 4, showing each unprepared and superior or inferior grade separately. For railroad scrap, give grade of scrap and name of railroad from which the scrap originated.
[2] In Column 4 include tonnage sold previously but not shipped by October 31.

INSTRUCTIONS FOR FILLING IN FORM PD–151

Number of Copies.—Prepare 3 copies of this form and forward the original and second copy directly to the BUREAU OF MINES, PITTSBURGH, PA. The third copy is to be kept for your own files. Do *not* send any copies to the Office of Production Management. A separate form should be made out for each yard or dismantling project.

When to File.—This form must be filed with the BUREAU OF MINES, PITTSBURGH, PA., not later than the 20th of November.

Who Should File.—Every person who is a broker or dealer in iron or steel scrap *must* report on this form. Peddlers are *not* to file a report. A peddler is a person who collects scrap with a vehicle and does not own or operate a yard.

Section 35 (A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency in the United States.

The undersigned certifies that he executed the above statement on behalf of and by the authority of the company filing this report, and that the information contained in this report, is correct and complete to the best of his knowledge and belief.

Prepared by .....
(Name of official)

....
(Date) (Title)

Copyright, November 22, 1941, The Research Institute of America, Inc.

Iron and Steel Scrap—Price Control

Vf·250. Price ceiling on iron and steel scrap. Since its issuance on April 2, 1941, the iron and steel scrap schedule, No. 4, has undergone a number of amendments and revisions. On December 23 another major revision was made. For this reason we are summarizing here the developments leading up to that date, and are reproducing below the price schedule as of December 24, 1941. Should you have occasion to refer to prices in existence prior to that date, we suggest that you write to us and we will be glad to forward to you price lists and terms in effect during the particular period.

Vf·251. ***Outline of main changes in Price Schedule No. 4 for Iron and Steel Scrap.***

Apr. 2, 1941: Schedule issued, maximum prices set up for three classes—iron and steel scrap of non-railroad origin, railroad scrap, and scrap destined for export—based on $20 per gross ton at Pittsburgh for No. 1 heavy melting steel, with differentials for various points of consumption. Prices computed by basing point formula.

Apr. 9, 1941 Amendment: Provision relating to contracts made before April 3, 1941 modified to make possible extension beyond May 10, 1941.

May 7, 1941 Revision: More classifications of scrap added to original 16; maximum prices established for 34 consuming points as against 13. New formula provided allowing consumer outside of a consuming point to pay $1 more under certain conditions. Maximum prices based on all-rail shipments to consumers. Off-the-line consumers who have bought scrap from a railroad in the past may pay $1 more than on-the-line consumers, or price for nearest consuming point. Railroad scrap of unknown origin to be sold at prices for similar grades of non-railroad scrap. The 3% brokerage commission changed to 50¢ per ton. Stipulation that railroads must serve regular on-the-line consumers first.

June 18, 1941 Amendment: Consumers allowed to pay $1 more for semi-remote scrap. Provision made for bringing in remote scrap located beyond zones where railroad freight rate to Pittsburgh is $11.20 per ton. Shipping point prices defined and method of computation explained. Export prices redefined differentiating between railroad scrap and other scrap. Stipulation that dealers must have acted as brokers before June 18, 1941 to receive commissions. Several changes in basing points. New formula for maximum prices for scrap originating on railroads not operating through a basing point.

June 21, 1941 Amendment: Switching charges for scrap originating from railroads operating in Chicago changed in favor of Chicago consumers.

July 12, 1941 Amendment: Price adjustment for copper companies buying precipitation scrap.

Aug. 8, 1941 Amendment: Export ceiling prices established on the basis of domestic prices. Six basing points added to Appendix A; Minnequa, Colo., eliminated in Appendix B. Basing point prices at 12 cities changed. Separate provisions for shipping point prices (a) at shipping points located within basing points, and (b) shipping points located outside basing points.

Aug. 26, 1941 Amendment: Cincinnati added as a basing point. Net f.o.b. prices for "re-rolling" rail on certain railroads established. Shipping point prices at various Gulf ports made uniform.

Sept. 5, 1941 Amendment: Railroad rail for re-laying purposes removed from the scrap schedule.

Sept. 22, 1941 Amendment: Shipping point price within Cincinnati basing point made 80¢ per ton below basing point price for all grades of scrap except 6 casting grades. Prices for railroad scrap sold by logging roads and mines need not be less than $13.50 per ton for scrap rails and $15.00 per ton for re-rolling rails.

Sept. 25, 1941 Amendment: Remote scrap given preferential treatment for contracts completed up to December 31, 1941. Considerably higher shipping point prices set for "remote scrap" and consumers permitted to pay greater transportation charges to bring "remote scrap" to their plants.

Oct. 10, 1941 Amendment: Cincinnati established as basing point for scrap of railroad origin.

Nov. 24, 1941 Amendment: Adjustments made for West Coast area: basing point prices for scrap used in open hearth furnaces and for No. 1 cupola cast iron scrap at San Francisco and Los Angeles increased. Several California basing points redefined. Portland, Oregon, eliminated as a basing point for "steel making" grades. $1 increase in basing point price of low phosphorus scrap at three Ohio and one Kentucky points.

Dec. 23, 1941 Revision: The various types and grades of scrap grouped in four classifications according to use, maximum prices set for each type of consumer so as to direct scrap to the most advantageous use. Method of computing maximum shipping point prices based on "most favorable" basing point. Cast iron scrap placed in a separate schedule, prices to be computed on a regional basis. Four new basing points added in Pittsburgh district, and Pittsburgh basing point re-defined. Two new grades added, placed in electric furnace and foundry classification. Differentiation in shipping point price between shipments by rail or vessel or both, and shipments solely by motor vehicle. Provisions regarding brokers redefined.

Vf·252. Digest of Price Schedule No. 4—Iron and Steel Scrap—revised as of December 24, 1941. (All cross references below apply to the text of Price Schedule No. 4.)

Subject: All kinds and grades of imported and domestic iron and steel scrap including railroad scrap.

Effective date: April 3, 1941, amended up to December 24, 1941.

Persons affected: Buyers and sellers.

Price limitations: Five groups of scrap are established and maximum prices set up for them in Appendices A to E: other than railroad scrap, railroad scrap, cast iron scrap, scrap for export, and imported scrap. The various types and grades of non-railroad scrap are classified and defined according to use:

A. For other than railroad scrap, basing point prices are fixed in Appendix A. To compute shipping point prices, the "most favorable basing point," that is, that point, the use of which will yield the highest shipping point price is to be applied. Provision is made for points located inside and outside of basing points. *(See Appendix A(c)(1) and (2))* Exceptions are made for a few shipping points including the provision that the maximum shipping point price for No. 1 Heavy Melting Steel except in the state of Washington, need not be less than $13.00 per ton; in the Gulf ports $14.00 per ton (St. Louis differentials applicable for other grades). *(See Appendix A(c)(3))*

The delivered price is to be computed on the basis of the shipping point price plus freight up to $1.00: higher freight additions are permitted in a number of cases, including remote scrap, where up to $5.00 may be added. *(See Appendix A(d))*

B. Appendix B deals with railroad scrap. It establishes maximum base delivered prices for scrap orginating from a railroad, delivered to consumers' plants located on the line of the railroad from which the scrap originated. It specifies the method of computing the price for unlisted grades *(See Appendix A(b)(1)(ii))*, scrap delivered to off-the-line consumers (*See Appendix B(a)(2))*, and scrap originating from railroads not operating at any of the basing points named in the schedule. *(See Appendix B(b))* Prices for railroad scrap of unknown origin may not exceed Appendix A prices for corresponding grades. *(See Appendix B (c))* A specific provision for No. 1 Heavy Melting Steel, scrap rails and rails for rerolling originating from mines and logging roads states that in no case need the maximum shipping point price be less than $13 for No. 1 Heavy Melting Steel, $14 for scrap rails, and $16 for rails for rerolling. *(See Appendix B(e))*

C. Cast iron scrap is placed in a separate group in Appendix C. These provisions are in the nature of an experiment, and shipping point prices are established on a regional basis for three geographical groups, delivered price to be computed by adding transportation charges. *(See Appendix C (b)(i))* In case of transportation by motor vehicle, a certificate from OPA is necessary to add freight charges. *(See Appendix C (b)(ii))*

D. Exports of scrap are treated in Appendix D setting maximum prices (1) for non-railroad scrap at the domestic shipping point price plus transportation charges to the point of export. *(See Appendix D(a))* (2) for railroad scrap, with similar provisions, and with differentiation for basing point railroads and railroads which do not operate at a basing point. *(See Appendix D (b))* In both cases brokerage commissions may be added.

E. For imports of scrap Appendix E specifies that only consumers and persons acting as brokers for specific consumers may import scrap, a sworn, detailed statement on the intended transaction must be filed and approved by OPA; certified copies of bills of lading are to be submitted upon delivery. *(See Appendix E)*

Differentials: (1) For scrap dealt with in Appendices A, B and C a deduction of $2.50 from the maximum price shall be made for unprepared scrap. *(See Appendices A(e), B(f), C(d))*

(2) Scrap covered in Appendices A and C of inferior grades must be sold at differentials existing September 1, 1940, to December 31, 1941. *(See Appendix A(a) footnote 6 and Appendix C(a) footnote 1))* For superior grades premiums may be charged only with permission of OPA. Special preparation charges may in no case be added.

(3) Brokers' commissions of 50¢ per gross ton may be charged by those who are brokers before April 3, 1941, under listed conditions. *(See Section 1304.6)*

Exemptions: (1) Besides the exceptions specified in the various appendices, the schedule states that, regarding specific tonnage of scrap allocated by the Director of Priorities prior to November 23, 1941, and not delivered on December 23, 1942, the provisions of the "schedule as of the date of the allocation order" are to apply. *(See Section 1304.5)*

(2) In cases of hardship or inequity, application must be made under oath and in a separate document "Application for Relief from Price Schedule No. 4—Iron and Steel Scrap." *(See Section 1304.9)*

Records, reports, etc.: Sellers and buyers must keep for one year detailed records of each purchase and sale, showing separate transportation charges and supported by freight documents, and stock on hand and on order, as of the close of each month. *(See Section 1304.8)*

¶ Observation: Although the new schedule adjusts ceiling prices upwards, provisions restricting the purchase of specific types of scrap and diverting their use are more severe, to accomplish the aim of directing the flow of scrap to its most advantageous use. Electric furnace and foundry grades, for instance, are priced somewhat higher than the open hearth grades, to allow for the added costs of preparation. The difference, however, is not high enough to encourage the cheaper scrap being used by electric furnaces and foundries and consequently depleting the supply for open hearth operators. Conversely, the schedule specifically restricts open hearth operators from paying more for electric furnace and foundry grades than the ceiling price for comparable open hearth or blast furnace scrap. *(See Appendix A(a) footnote 7)*

Vf·253. *Price Schedule No. 4 (Revised to Dec. 24, 1941).*

Part 1304—Iron and Steel Scrap

Whereas, the Office of Price Administration and Civilian Supply is charged with functions related to the maintenance of price stability and the prevention of undue price rises and price dislocations; and

Whereas, the increased demand for iron and steel scrap has exerted inflationary pressure upon the prices thereof, and has already caused, and threatens still further to cause, speculative activity, and the withholding of iron and steel scrap from the market; and

Whereas, prices of iron and steel scrap have risen to a degree that has caused price instability and dislocations injurious to the national defense; and

Copyright, January 9, 1942, The Research Institute of America, Inc.

Whereas, under the foregoing circumstances, the absence of any maximum price standards has militated against and in some cases rendered it impossible for the Government to obtain voluntary cooperation in maintaining price stability and in preventing excessive and speculative price increases; and

Whereas, it appears that the establishment of maximum price standards is necessary to facilitate cooperation with the Government and prevention of a price policy tending to weaken the defense effort through disastrous inflation, undue burdens upon the Government, economic dislocations, price spiralling, and profiteering, and the establishment of such standards is otherwise necessary in the public interest and in the interest of national defense; and

Whereas, on the basis of information secured by independent investigation by this Office and through cooperation of the trade, I find that the maximum prices as prescribed herein and set forth in Appendices A, B, and C,* annexed hereto, constitute reasonable limitations on prices for iron and steel scrap;

* Appendices D and E added December 23, 1941.

Now, therefore, in order to facilitate cooperation with the Government in maintaining price stability and in preventing excessive and speculative price increases injurious to the defense program and to the public interest and welfare, it is directed that,

Sec. 1304.1 **Maximum prices on sales of iron and steel scrap other than railroad scrap.** On and after April 3, 1941, regardless of the terms of any contract of sale or purchase or other commitment theretofore entered into, no person shall sell, offer to sell, deliver, or transfer iron and steel scrap other than railroad scrap, to the consumer of such scrap or to his broker, at prices higher than the prices set forth in Appendices A, C, D and E, incorporated herein as Secs. 1304.13, 1304.15, 1304.16 and 1304.17, and no consumer or his broker shall buy, offer to buy, or accept delivery of, iron and steel scrap other than railroad scrap at prices higher than the prices set forth in Appendices A, C, D and E, except as provided in Secs. 1304.6 and 1304.9 hereof.*

Sec. 1304.2 **Maximum prices on sales of iron and steel railroad scrap.** On and after April 3, 1941, regardless of the terms of any contract of sale or purchase, or other commitment theretofore entered into, no person shall sell, offer to sell, deliver or transfer iron and steel railroad scrap to the consumer of such scrap or to his broker, at prices higher than the prices set forth in Appendices B, D and E, incorporated herein as Secs. 1304.14, 1304.16 and 1304.17, and no consumer or his broker shall buy, offer to buy, or accept delivery of iron and steel railroad scrap at prices higher than the prices established in Appendix B, except as provided in Secs. 1304.6 and 1304.9 hereof.*

Sec. 1304.3 **Lower than maximum prices.** Lower prices than those set forth in Appendices A, B, C, D and E may, however, be charged, demanded, paid or offered.*

Sec. 1304.4 **Method of securing information governing maximum prices on sales of iron and steel railroad scrap.** On and after April 3, 1941, no sale of any grade of iron and steel railroad scrap, for which a maximum price is not listed in Appendix B, shall be made until after the Office of Price Administration has established a maximum price therefor, and until opportunity has been given any prospective buyer of such scrap to learn the maximum price applicable to such sale. The prospective buyer may ascertain such maximum price by addressing an inquiry to the Office of Price Administration, Washington, D. C. The railroad maker thereof or other person shall file with the Office of Price Administration the information required to determine with Appendix B the maximum price thereby established for such grade.*

Sec. 1304.5 **Allocated scrap.** Where, prior to November 23, 1941, the Director of Priorities of the Office of Production Management issued an order allocating a specified tonnage of scrap, and any portion of such tonnage remains undelivered on December 23, 1942, such scrap shall continue to be governed by the provisions of Price Schedule No. 4 in effect at the time the order of allocation was issued.*

Sec. 1304.6 **Commissions.** No commission shall be payable hereunder, except by a consumer to a broker for brokerage services rendered to the consumer. In the event that a consumer shall employ a broker to purchase iron and steel scrap, such consumer may pay such broker a commission not exceeding 50 cents per gross ton. No commission shall be payable unless (a) the broker guarantees the quality and delivery of an agreed tonnage of scrap; (b) the scrap is purchased by the consumer at a price not higher than the maximum applicable herein; (c) the broker sells the scrap to the consumer at the same price at which he purchased it; (d) the broker does not split or divide the commission with the seller or sellers of the scrap, with another broker or subbroker, or with the consumer. No commission shall be payable to a person for scrap which he prepares.

A person who has not acted as a broker prior to April 3, 1941 shall, in no case, be allowed a brokerage commission.*

Sec. 1304.7 **Evasion.** The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods, in connection with the purchase, sale, delivery or transfer of iron and steel scrap, alone or in conjunction with any other material, or by way of any commission, cross-billing, service, transportation, or other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or by upgrading, or otherwise.*

Sec. 1304.8 **Record-keeping and reporting requirements.** Every dealer in, and every maker, smelter, processor, broker, or consumer of, and every other person purchasing or selling iron and steel scrap shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of:

(a) Each such purchase or sale, the date thereof, the name and address of the buyer or the seller, the shipping point price, the price paid, or received at the point of delivery, and the quantity in pounds and quality in grades, as defined in the applicable appendix. In the case of scrap for which maximum prices have been established under Appendices A, C, D and E, hereof, the record, with respect to prices, must contain the shipping point price, the mode or modes of transportation used from shipping point to point of delivery, the transportation charges involved, the bills of lading and other documents evidencing the movement from shipping point to point of delivery, the price at the point of delivery and the commission, if any involved, on the transaction. In the case of scrap for which maximum prices have been established under Appendix B, the record, with respect to prices, must contain comparable data to that required for Appendices A, C, D and E.

(b) As of the close of each month, the quantity in pounds and quality by grades of iron and steel scrap (1) on hand and (2) on order.

Persons affected by this Schedule shall submit such reports to the Office of Price Administration as it may from time to time require.*

Sec. 1304.9 **Modification of the Schedule** Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: Provided, That no application under this section will be considered unless filed by persons complying with this Schedule and all other Schedules issued by the Office of Price Administration. Such applications must be submitted under oath and in a separate document captioned: "Application for Relief from Price Schedule No. 4—Iron and Steel Scrap," and shall not be contained in any filing of information, or prices required to be filed under this Schedule.*

Sec. 1304.10 **Enforcement.** In the event of refusal or failure to abide by the price limitations, record requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will make every effort to assure (a) that the Congress and the public are fully informed thereof; (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities, failures to comply with this Schedule, and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of iron and steel scrap, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

Sec. 1304.11 **Definitions.**

(a) "Person" means an individual, corporation, association, partnership, trustee in bankruptcy, receiver or other entity.

(b) "Iron and steel scrap" means all kinds and grades of imported and domestic iron and steel scrap including iron and steel railroad scrap.

(c) "Iron and steel scrap other than railroad scrap" means the kinds and grades of imported and domestic iron and steel scrap referred to in Appendices A, C, D and E.

(d) "Iron and steel railroad scrap" means iron and steel scrap having a railroad origin and includes the kinds and grades of imported and domestic iron and steel scrap referred to in Appendices B, D and E.

(e) "Railroad" means steam and electric railroads, street, suburban, and interurban electric railways and local trolleys, and mines, logging roads and similar sources of iron and steel scrap.

(f) "Consumer" means a purchaser, for its own consumption, of iron or steel scrap, i.e. smelter, foundry, steel mill, etc.

(g) "Imported scrap" means iron and steel scrap which does not originate in and is not shipped from one of the 48 States or the District of Columbia.*

Sec. 1304.12 **Effective date.** This Schedule shall become effective December 24, 1941, except as otherwise specifically provided herein.*

Issued this 23rd day of December, 1941.

LEON HENDERSON, *Administrator.*

Sec. 1304.13 **Appendix A—Maximum Prices for Iron and Steel other than Railroad Scrap.**

All the Prices Given Below Are Per Gross Ton.

(A) Basing Point [1] Prices from Which Shipping Point Prices and Consumers' Delivered Prices Are to be Computed.

	Pittsburgh, Pa.[2]	Brackenridge, Pa.	Butler, Pa.	Monessen, Pa.	Midland, Pa.	Johnstown, Pa.	Sharon, Pa.	Canton, Ohio
Open Hearth Grades [6]								
1. No. 1 Heavy Melting Steel								
2. No. 1 Hydraulic Compressed Black Sheet Scrap								
3. No. 2 Heavy Melting Steel	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
4. Dealers' No. 1 Bundles								
5. Dealers' No. 2 Bundles								
6. No. 1 Busheling								
7. Machine Shop Turnings	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Blast Furnace Grades [6]								
8. Mixed Boring and Turnings								
9. Shovelling Turnings	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
10. No. 2 Busheling								
11. Cast Iron Borings								
Electric Furnace and Foundry Grades [6] [7]	*For Electric Furnace and Foundry Use Only*							
12. Low Phos. Billet, Bloom and Forge Crops	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
13. Low Phos. Bar Crops and Smaller	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
14. Low Phos. Punchings and Plate Scrap	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
15. Heavy Cut Structural and Plate Scrap, 3 Ft. and Under	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
16. Heavy Cut Structural and Plate Scrap, 2 Ft. and Under	21.50	21.50	21.50	21.50	21.50	21.50	21.50	21.50
17. Heavy Cut Structural and Plate Scrap, 1 Ft. and Under	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00
18. Cut Automotive Steel Scrap, 3 Ft. and Under	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
19. Cut Automotive Steel Scrap, 2 Ft. and Under	20.50	20.50	20.50	20.50	20.50	20.50	20.50	20.50
20. Cut Automotive Steel Scrap, 1 Ft. and Under	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
21. Alloy Free Low Phos. and Sulphur Turnings	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
22. First Cut Heavy Axle and Forge Turnings	19.50	19.50	19.50	19.50	19.50	19.50	19.50	19.50
23. Electric Furnace Bundles	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00

	Steubenville, Ohio	Youngstown, Ohio	Warren, Ohio	Weirton, W. Va.	Cleveland, Ohio	Cincinnati, Ohio [8]	Middletown, Ohio	Portsmouth, Ohio
Open Hearth Grades [6]								
1. No. 1 Heavy Melting Steel								
2. No. 1 Hydraulic Compressed Black Sheet Scrap								
3. No. 2 Heavy Melting Steel	20.00	20.00	20.00	20.00	19.50	19.50	19.50	19.50
4. Dealers' No. 1 Bundles								
5. Dealers' No. 2 Bundles								
6. No. 1 Busheling								
7. Machine Shop Turnings	16.00	16.00	16.00	16.00	15.50	15.50	15.50	15.50
Blast Furnace Grades [6]								
8. Mixed Boring and Turnings								
9. Shovelling Turnings	16.00	16.00	16.00	16.00	15.50	15.50	15.50	15.50
10. No. 2 Busheling								
11. Cast Iron Borings								

(Continued on the following page)

Copyright, January 9, 1942, The Research Institute of America, Inc.

	Steubenville, Ohio	Youngstown, Ohio	Warren, Ohio	Weirton, W. Va.	Cleveland, Ohio	Cincinnati, Ohio [3]	Middletown, Ohio	Portsmouth, Ohio
Electric Furnace and Foundry Grades [6 7]				*For Electric Furnace and Foundry Use Only*				
12. Low Phos. Billet, Bloom and Forge Crops	25.00	25.00	25.00	25.00	24.50	24.50	24.50	24.50
13. Low Phos. Bar Crops and Smaller	22.50	22.50	22.50	22.50	22.00	22.00	22.00	22.00
14. Low Phos. Punchings and Plate Scrap	22.50	22.50	22.50	22.50	22.00	22.00	22.00	22.00
15. Heavy Cut Structural and Plate Scrap, 3 Ft. and Under	21.00	21.00	21.00	21.00	20.50	20.50	20.50	20.50
16. Heavy Cut Structural and Plate Scrap, 2 Ft. and Under	21.50	21.50	21.50	21.50	21.00	21.00	21.00	21.00
17. Heavy Cut Structural and Plate Scrap, 1 Ft. and Under	22.00	22.00	22.00	22.00	21.50	21.50	21.50	21.50
18. Cut Automotive Steel Scrap, 3 Ft. and Under	20.00	20.00	20.00	20.00	19.50	19.50	19.50	19.50
19. Cut Automotive Steel Scrap, 2 Ft. and Under	20.50	20.50	20.50	20.50	20.00	20.00	20.00	20.00
20. Cut Automotive Steel Scrap, 1 Ft. and Under	21.00	21.00	21.00	21.00	20.50	20.50	20.50	20.50
21. Alloy Free Low Phos. and Sulphur Turnings	18.00	18.00	18.00	18.00	17.50	17.50	17.50	17.50
22. First Cut Heavy Axle and Forge Turnings	19.50	19.50	19.50	19.50	19.00	19.00	19.00	19.00
23. Electric Furnace Bundles	21.00	21.00	21.00	21.00	20.50	20.50	20.50	20.50

	Ashland, Ky.	Buffalo, N. Y.	Claymont, Del.	Coatesville, Pa.	Conshohoken, Pa.	Harrisburg, Pa.	Phoenixville, Pa.	Sparrow's Point, Md.
Open Hearth Grades [6]								
1. No. 1 Heavy Melting Steel								
2. No. 1 Hydraulic Compressed Black Sheet Scrap								
3. No. 2 Heavy Melting Steel	19.50	19.25	18.75	18.75	18.75	18.75	18.75	18.75
4. Dealers' No. 1 Bundles								
5. Dealers' No. 2 Bundles								
6. No. 1 Busheling								
7. Machine Shop Turnings	15.50	15.25	14.75	14.75	14.75	14.75	14.75	14.75
Blast Furnace Grades [6]								
8. Mixed Boring and Turnings								
9. Shovelling Turnings	15.50	15.25	14.75	14.75	14.75	14.75	14.75	14.75
10. No. 2 Busheling								
11. Cast Iron Borings								
Electric Furnace and Foundry Grades [6 7]				*For Electric Furnace and Foundry Use Only*				
12. Low Phos. Billet, Bloom and Forge Crops	24.50	24.25	23.75	23.75	23.75	23.75	23.75	23.75
13. Low Phos. Bar Crops and Smaller	22.00	21.75	21.25	21.25	21.25	21.25	21.25	21.25
14. Low Phos. Punchings and Plate Scrap	22.00	21.75	21.25	21.25	21.25	21.25	21.25	21.25
15. Heavy Cut Structural and Plate Scrap, 3 Ft. and Under	20.50	20.25	19.75	19.75	19.75	19.75	19.75	19.75
16. Heavy Cut Structural and Plate Scrap, 2 Ft. and Under	21.00	20.75	20.25	20.25	20.25	20.25	20.25	20.25
17. Heavy Cut Structural and Plate Scrap, 1 Ft. and Under	21.50	21.25	20.75	20.75	20.75	20.75	20.75	20.75
18. Cut Automotive Steel Scrap, 3 Ft. and Under	19.50	19.25	18.75	18.75	18.75	18.75	18.75	18.75
19. Cut Automotive Steel Scrap, 2 Ft. and Under	20.00	19.75	19.25	19.25	19.25	19.25	19.25	19.25
20. Cut Automotive Steel Scrap, 1 Ft. and Under	20.50	20.25	19.75	19.75	19.75	19.75	19.75	19.75
21. Alloy Free Low Phos. and Sulphur Turnings	17.50	17.25	16.75	16.75	16.75	16.75	16.75	16.75
22. First Cut Heavy Axle and Forge Turnings	19.00	18.75	18.25	18.25	18.25	18.25	18.25	18.25
23. Electric Furnace Bundles	20.50	20.25	19.75	19.75	19.75	19.75	19.75	19.75

	Chicago, Ill.	Bethlehem, Pa.	Kokomo, Ind.	Duluth, Minn.	Detroit, Mich.	Toledo, Ohio	St. Louis, Mo.[4]	Atlanta, Ga.
Open Hearth Grades [6]								
1. No. 1 Heavy Melting Steel								
2. No. 1 Hydraulic Compressed Black Sheet Scrap								
3. No. 2 Heavy Melting Steel	18.75	18.25	18.25	18.00	17.85	...	17.50	17.00
4. Dealers' No. 1 Bundles								
5. Dealers' No. 2 Bundles								
6. No. 1 Busheling								
7. Machine Shop Turnings	14.75	14.25	14.25	14.00	13.85	13.85	13.50	13.00
Blast Furnace Grades [6]								
8. Mixed Borings and Turnings								
9. Shovelling Turnings	14.75	14.25	14.25	14.00	13.85	13.85	13.50	13.00
10. No. 2 Bushelings								
11. Cast Iron Borings								

(Continued on the following page)

	Chicago, Ill.	Bethlehem, Pa.	Kokomo, Ind.	Duluth, Minn.	Detroit, Mich.	Toledo, Ohio	St. Louis, Mo.[4]	Atlanta, Ga.
Electric Furnace and Foundry Grades [6 7]				*For Electric Furnace and Foundry Use Only*				
12. Low Phos. Billet, Bloom and Forge Crops	23.75	23.25	23.25	23.00	22.85	...	22.50	22.00
13. Low Phos. Bar Crops and Smaller	21.25	20.75	20.75	20.50	20.35	...	20.00	19.50
14. Low Phos. Punchings and Plate Scrap	21.25	20.75	20.75	20.50	20.35	...	20.00	19.50
15. Heavy Cut Structural and Plate Scrap, 3 Ft. and Under	19.75	19.25	19.25	19.00	18.85	...	18.50	18.00
16. Heavy Cut Structural and Plate Scrap, 2 Ft. and Under	20.25	19.75	19.75	19.50	19.35	...	19.00	18.50
17. Heavy Cut Structural and Plate Scrap, 1 Ft. and Under	20.75	20.25	20.25	20.00	19.85	...	19.50	19.00
18. Cut Automotive Steel Scrap, 3 Ft. and Under	18.75	18.25	18.25	18.00	17.85	...	17.50	17.00
19. Cut Automotive Steel Scrap, 2 Ft. and Under	19.25	18.75	18.75	18.50	18.35	...	18.00	17.50
20. Cut Automotive Steel Scrap, 1 Ft. and Under	19.75	19.25	19.25	19.00	18.85	...	18.50	18.00
21. Alloy Free Low Phos. and Sulphur Turnings	16.75	16.25	16.25	16.00	15.85	...	15.50	15.00
22. First Cut Heavy Axle and Forge Turnings	18.25	17.75	17.75	17.50	17.35	...	17.00	16.50
23. Electric Furnace Bundles	19.75	19.25	19.25	19.00	18.85	...	18.50	18.00

	Alabama City, Ala.	Birmingham, Ala.	Los Angeles, Cal.	Pittsburg, Cal.	San Francisco, Cal.[5]	Minnequa, Col.	Seattle, Wash.	Portland, Ore.
Open Hearth Grades [6]								
1. No. 1 Heavy Melting Steel								
2. No. 1 Hydraulic Compressed Black Sheet Scrap								
3. No. 2 Heavy Melting Steel	17.00	17.00	17.00	17.00	17.00	16.50	14.50	...
4. Dealers' No. 1 Bundles								
5. Dealers' No. 2 Bundles								
6. No. 1 Busheling								
7. Machine Shop Turnings	13.00	13.00	13.00	13.00	13.00	12.50	10.50	...
Blast Furnace Grades [6]								
8. Mixed Borings and Turnings								
9. Shovelling Turnings	13.00	13.00	13.00	13.00	13.00	12.50	10.50	...
10. No. 2 Busheling								
11. Cast Iron Borings								
Electric Furnace and Foundry Grades [6 7]				*For Electric Furnace and Foundry Use Only*				
12. Low Phos. Billet, Bloom and Forge Crops	22.00	22.00	22.00	22.00	22.00	21.50	19.50	...
13. Low Phos. Bar Crops and Smaller	19.50	19.50	19.50	19.50	19.50	19.00	17.00	15.50
14. Low Phos. Punchings and Plate Scrap	19.50	19.50	19.50	19.50	19.50	19.00	17.00	15.50
15. Heavy Cut Structural and Plate Scrap, 3 Ft. and Under	18.00	18.00	18.00	18.00	18.00	17.50	15.50	14.00
16. Heavy Cut Structural and Plate Scrap, 2 Ft. and Under	18.50	18.50	18.50	18.50	18.50	18.00	16.00	14.50
17. Heavy Cut Structural and Plate Scrap, 1 Ft. and Under	19.00	19.00	19.00	19.00	19.00	18.50	16.50	15.00
18. Cut Automotive Steel Scrap, 3 Ft. and Under	17.00	17.00	17.00	17.00	17.00	16.50	14.50	13.00
19. Cut Automotive Steel Scrap, 2 Ft. and Under	17.50	17.50	17.50	17.50	17.50	17.00	15.00	13.50
20. Cut Automotive Steel Scrap, 1 Ft. and Under	18.00	18.00	18.00	18.00	18.00	17.50	15.50	14.00
21. Alloy Free Low Phos. and Sulphur Turnings	15.00	15.00	15.00	15.00	15.00	14.50	12.50	11.00
22. First Cut Heavy Axle and Forge Turnings	16.50	16.50	16.50	16.50	16.50	16.00	14.00	12.50
23. Electric Furnace Bundles	18.00	18.00	18.00	18.00	18.00	17.50	15.50	14.00

(1) A Basing Point includes the switching district of the city named.

(2) The Pittsburgh Basing Point includes the switching districts of Bessemer, Homestead, Duquesne, Munhall and McKeesport, Pa.

(3) The Cincinnati Basing Point includes the switching district of Newport, Kentucky.

(4) The St. Louis Basing Point includes the switching districts of Granite City, East St. Louis and Madison, Illinois.

(5) The San Francisco Basing Point includes the switching districts of South San Francisco, Niles and Oakland, California.

(6) Maximum prices of inferior grades shall continue to bear the same differential below the corresponding listed grade as existed during the period September 1, 1940 to January 31, 1941. In no case shall any grade deemed by buyer or seller, or both to be superior to any grade listed above, be sold at a premium above the corresponding listed grade except upon prior approval by the Office of Price Administration. No special preparation charges may in any case be added to the prices listed above.

(7) Whenever any of these grades is purchased for open hearth or blast furnace consumption, the price paid therefor may not exceed the price listed herein for the corresponding open hearth grade. The price of items 12 and 23 shall not exceed the price of open hearth grades unless delivered to the consumer direct from the original industrial producer thereof. The same limitations pertain to the sale of item 22 at a price in excess of that established for Blast Furnace grades.

(b) *The most favorable basing point.* The "most favorable basing point" is the basing point which, when used to compute the shipping point price in the manner set forth in paragraph (c)(1) and (2) below, will yield the highest shipping point price.

(c) *Maximum shipping point price.*

(1) *Where shipments to the consumer is wholly or partially by rail, or vessel, or combination of rail and vessel.* Where the shipment of scrap to the consumer is by rail, or vessel, or combination of rail and vessel, the scrap is at its shipping point when it has been placed f.o.b. railroad car or f.a.s. vessel for shipment to the consumer. In such cases, the maximum shipping point price shall be:

(i) For shipping points located within a basing point, the price listed in paragraph (a) hereof for the scrap at the basing point in which the shipping point is located, minus the lowest established switching charge for scrap within the basing point; and

Copyright, January 9, 1942, The Research Institute of America, Inc.

(ii) For shipping points located outside a basing point, the price listed in paragraph (a) hereof for the scrap at the most favorable basing point, minus the lowest established charge for transporting scrap from the shipping point to such basing point by rail or water carrier, or combination thereof. Where such transportation includes vessel movement, the charges at the dock established by tariffs, or, in case no such tariffs are published, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price.

(2) *Where shipment to the consumer is solely by motor vehicle.* Where the shipment of scrap to the consumer is solely by motor vehicle, the scrap is at its shipping point when it has been loaded on such vehicle. In such cases, the maximum shipping point price shall be:

(i) For shipping points located within a basing point, the price listed in paragraph (a) hereof for the scrap at the basing point in which the shipping point is located minus the lowest established switching charge for scrap within the basing point; and

(ii) For shipping points located outside a basing point, the price listed in paragraph (a) hereof for the scrap at the most favorable basing point minus the lowest established charge for transporting scrap by common carrier from the shipping point to such basing point. Where such transportation includes vessel movement, the charges at the dock, established by tariffs or, in case no such tariffs are published, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price. If no established transportation rate exists for all or a portion of the movement from shipping point to basing point, the actual charge or cost customarily incurred by the shipper in such portion of the movement shall be included as part of the deduction in computing the shipping point price.

(3) *Exceptions to the formula for computing shipping point prices contained in (a) and (b) above.*[1]

(1) At all shipping points in the United States with the exception of the State of Washington, the maximum shipping point price of No. 1 Heavy Melting Steel Scrap (with St. Louis price differentials for other grades) need not fall below $13.00 per gross ton. In Tampa, Florida; Pensacola, Florida; Gulfport, Mississippi; Mobile, Alabama; New Orleans, Louisiana; Lake Charles, Louisiana; Port Arthur, Texas; Beaumont, Texas; Galveston, Texas; Texas City, Texas; Houston, Texas; and Corpus Christi, Texas, the maximum shipping point price need not fall below $14.00 per gross ton for No. 1 Heavy Melting Steel Scrap (with St. Louis price differentials for the other grades).

(2) Maximum shipping point prices at any New England shipping point shall be computed from the Johnstown, Pennsylvania basing point prices rather than from the prices at the most favorable basing point.

(3) Maximum shipping point prices at any shipping point in New York City, Brooklyn, N. Y., and New Jersey, which by reason of vessel rates have Buffalo or Sparrow's Point as their most favorable basing point shall be computed from the prices at the Bethlehem, Pennsylvania basing point rather than the prices at Buffalo or Sparrow's Point.

(4) The maximum shipping point price within the Cincinnati basing point shall be the Cincinnati basing point price minus 80 cents per gross ton.

(d) *Maximum price delivered to the plant of a consumer.* Scrap is at its point of delivery to the consumer when it has arrived for unloading at the plant of the consumer.

The maximum price at which any grade of scrap may be delivered to the plant of a consumer is the shipping point price as determined in paragraph (c) above, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transportation employed. If no established transportation rate exists for all or a portion of the movement from shipping point to point of delivery, then the actual charge or cost incurred in such movement or portion thereof may be used in computing the maximum delivered price. In no case shall such transportation charge include any charge or cost incurred in placing the scrap at the shipping point; nor shall any charge or cost incurred in unloading the scrap at the point of delivery, or in subsequent handling, be included.

If shipment is by water, and tariffs establishing charges at the dock are published, charges incurred at the dock, but not to exceed the published tariffs, may be included as part of transportation charges. Where no such tariffs are published, actual charges incurred at the dock, but not to exceed 75 cents per gross ton, may be included as part of transportation charges. In either case such charges must be shown as a separate item on the invoice.

In no case, however, shall the delivered price exceed by more than one dollar the price listed in paragraph (a) for the basing point nearest, in terms of established transportation charges, to the consumer's plant, with the following exceptions:

Exception 1. For consumers having St. Louis as their nearest basing point the delivered price may not exceed the St. Louis basing point price by more than $1.50; *provided that* the delivered price of scrap shipped to such consumers from shipping points in Arkansas may not exceed the St. Louis basing point price by more than two dollars. For consumers whose nearest basing points are Detroit and Birmingham, respectively, the delivered price may not exceed by more than two dollars the price at their respective basing points.

Exception 2. Whenever the Director of Priorities of the Office of Production Management shall issue an allocation order for a specified tonnage of Machine Shop Turnings or related grades of turnings, as defined herein, to be delivered to electric furnace producers of ferro alloys, the delivered price of the turnings may exceed by more than $1.00 the price at the basing point nearest the plant of such producer; *provided that,* immediately upon delivery of such scrap, the producer files, with the Office of Price Administration, Washington, D. C., (a) a fully detailed statement under oath setting forth that the scrap has been shipped in accordance with an allocation order, the name and address of the seller, the shipping point of the scrap, the grade, quantity and price at shipping point, delivered price, the mode of transportation employed and the transportation charges from the shipping point to the point of delivery, and (b) certified copies of all bills of lading covering the shipment.

Exception 3. "Remote Scrap" means all the kinds and grades of iron and steel scrap referred to in Appendix A and having a shipping point and a point of origin within the states of Montana, Idaho, Wyoming, Nevada, Arizona, New Mexico, Texas, Oklahoma, Florida, Oregon, and Utah.

(i) The delivered price of remote scrap may exceed by more than $1.00 but not more than $5.00 the price at the basing point nearest the consumer's plant; *provided that,* immediately upon delivery of such scrap, the consumer files with the Office of Price Administration, Washington, D. C., (a) a fully detailed statement under oath setting forth the name and address of the seller, the shipping point of the scrap, the grade, quantity and price at shipping point, delivered price, the mode of transportation employed and the transportation charges from the shipping point to the point of delivery, and (b) certified copies of all bills of lading covering the shipment of such scrap from the remote shipping point to the point of delivery.

(ii) Where the delivered price of remote scrap would exceed by more than $5.00 the price at the basing point nearest the consumer's plant, the consumer may not purchase or accept delivery of such scrap until his application to the Office of Price Administration, Washington, D. C., for permission to absorb the additional transportation charges necessary to secure such scrap has been approved. Applications by consumers must be under oath and fully detailed, setting forth the name and address of the seller, point of shipment of the scrap, the grade, quantity and price at shipping point, proposed delivered prices, the mode of transportation to be employed, and the transportation charges from the shipping point to the consumer's plant. The application must also contain a statement by the consumer of its need for, and its willingness to accept, such scrap at the price quoted.

Immediately upon delivery of such scrap, the consumer must comply with the filing requirements of paragraph (i) (b) above.

Exception 4. Where scrap is shipped by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, New York; Elyria, Ohio; Cleveland, Ohio; or Saginaw, Michigan; the delivered price shall not be limited to one dollar in excess of the price at the basing point nearest the consumer's plant.

Exception 5. In computing the delivered price of Billet, Bloom and Forge crops originating in and shipped from the Pittsburgh Basing Point, the maximum transportation charges which may be added to the shipping point price shall be $2.50.

[1] See also paragraph (e).

Exception 6. The delivered price of Low Phos. and Sulphur Punchings and Plate Scrap, Low Phos. and Sulphur Bar Crops and Smaller, Alloy Free Low Phos. and Sulphur Turnings, and First Cut Heavy Axle and Forge Turnings produced in industrial plants in the State of Michigan and shipped directly to consumers located in or nearest, in terms of established transportation charges, to the Pittsburgh, Brackenridge, or Midland, Pa. basing points, shall not exceed by more than $2.75 the price at the basing point nearest the consumer's plant.

(e) *Unprepared Scrap.* The maximum prices established hereinabove are maximum prices for prepared scrap.

For unprepared scrap, maximum prices shall be $2.50 less than the maximum prices for the corresponding grade or grades of prepared scrap. In no case, however, shall Electric Furnace and Foundry grades, listed in paragraph (a) above, be used as the "corresponding grade or grades of prepared scrap."

Where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (c) hereof, until after such preparation has been completed.

(f) *Definitions of grades referred to in paragraph (a).*

Item 1—"No. 1 Heavy Melting Steel":

Steel scrap ¼ inch and over in thickness, not over 18 inches in width, and not over 5 feet long. Individual pieces must be cut into such shape that they will be free from attachments and will lie flat in a charging box. Cut boiler plate must be practically clean and free from stay bolts and not over 3 feet long and lie reasonably flat in charging box. No piece may weigh less than 5 pounds. This grade may include structural shapes, angle bars and plates, steel castings, heavy chain, carbon tool steel, heavy forgings, forge butts, and similar heavy material. This grade may also include new mashed pipe ends, original diameter 4 inches and over, thoroughly flattened, sheet bars, billets, blooms, rail ends, railroad steel, and wrought scrap, such as angles, splices, couplers, knuckles, short rails, draw-bars, cut cast-steel bolsters, coil and leaf springs (all coil springs to be ⅜ inch or larger in diameter). No needle or skeleton plate scrap, agricultural shapes, annealing pots, boiler tubes, grate bars, cast iron, malleable iron, or curly or unwieldy pieces will be accepted. This grade must be free from dirt, excessive rust or scale, or foreign material of any kinds.

Item 2—"No. 1 Hydraulic Compressed Black Sheet Scrap":

New black steel sheet clippings, shearings, skeleton stamping scrap, side and end sheet scrap, hydraulically compressed into compact, rectangular packages not to exceed 20 inches longest dimension, weighing not less than 75 pounds per cubic foot; must be clean and free from excessive rust, paint, or protective coating of any kind. No detinned scrap, electrical sheets, or material over 0.5 percent of silicon may be included.

Item 3—"No. 2 Heavy Melting Steel":

Plate scrap, such as car sides, automobile frame stock, tank, and skelp crops, ⅛ inch and heavier, steel parts of agricultural implements, wagons, buggies, and scrapped automobiles, auto and buggy springs cut apart, rods and bars, ½ inch and heavier, punchings, ¼ inch and over in thickness, heavy clippings, new unmashed pipe ends, under 4 inches in diameter, horseshoes, and similar material. Car sides and all light plates to be sheared 15 by 15 inches or under and all tires and light rods to be 12 inches and under in length. Any curved or twisted pieces must be sheared into such shape that they will lie flat in a charging box and not tangle in handling with a magnet, all to be free from brass, copper, lead, zinc, tin, terneplate, cast iron, malleable iron, burnt scrap, dirt, or foreign material of any kind.

Maximum size is 15 inches wide by 3 feet long, excepting car sides.

Item 4—"Dealers' No. 1 Bundles":

New, black steel sheet clippings, shearings, skeleton stamping scrap, side and end sheet scrap, hydraulically compressed into compact, rectangular packages not to exceed 20 inches longest dimension, weighing not less than 75 pounds per cubic foot; must be clean and free from excessive rust, paint, or protective coating of any kind. No detinned scrap, electrical sheets, or material over 0.5 percent of silicon may be included.

Item 5—"Dealers' No. 2 Bundles":

New, black steel clippings, shearings, skeleton stamping scrap, side and end sheet and tin-mill scrap, securely tied with not less than two wires or bands into packages not over 18 by 18 inches by 3 feet, weighing not over 125 pounds, to be bundled in such a manner that packages will not come apart in handling with a magnet; must be clean and free from excessive rust, paint, or protective coating of any kind. No detinned scrap, electrical sheets, or material over 0.5 percent of silicon may be included. This grade may include body and fender scrap, but must not include foreign materials such as galvanized tin, etc.

Item 6—"No. 1 Busheling":

Clean iron and soft-steel pipes and flues, tank, cut hoops and bands No. 12 gage and heavier, steel-plate punchings and clippings, soft-steel and iron forgings, and flashings; no dimension over 8 inches. This grade must be free from burnt material, hard steel, cast, malleable, and galvanized or metal coated stock of any kind.

Item 7—"Machine Shop Turnings":

New, clean steel or wrought-iron turnings, free from lumps, badly tangled or matted material, cast-iron borings, other metals, excessive oil, dirt, or foreign material of any kind. Badly rusted or corroded stock may not be included.

Item 8—"Mixed Borings and Turnings":

Clean, short, steel and wrought-iron turnings, drillings, screw cuttings, and cast or malleable iron borings and drillings, free from stringy, bushy, tangled, corroded material, lumps, excessive oil, scale, other metals, dirt, or foreign material of any kind.

Item 9—"Shoveling Turnings":

Clean, short, steel and wrought-iron turnings, drillings, or screw cuttings free from stringy, bushy, or tangled material, corroded or rusty lumps, excessive oil, scale, other metals, dirt, or foreign material of any kind.

Item 10—"No. 2 Busheling":

Cut hoops, netting, cotton ties, sheet, and similar material lighter than No. 12 gage, no dimension over 8 inches. This grade must be free from hard steel, cast, malleable, and galvanized or metal coated material of any kind.

Item 11—"Cast Iron Borings":

New, clean cast-iron borings and drillings, free from steel turnings and from badly corroded or rusty material, lumps, oil, scale, other metals, dirt, or foreign material of any kind.

Item 12—"Low Phos. Billet, Bloom and Forge Crops":

Billet, bloom, axle, heavy forge, or bar crops not over 0.04 percent of phosphorus or sulphur, not over 0.5 percent of silicon, free from alloys. Not less than 2 inches square or diameter, not over 18 inches wide and sheared to lengths not over 36 inches. No piece to weigh less than 10 pounds nor more than 500 pounds. Must be new material and free from excessive rust.

Item 13—"Low Phos. Bar Crops and Smaller":

Bar crops not over 0.04 percent of phosphorus or sulphur, not over 0.5 percent of silicon, free from alloys. Not less than 2 inches square or diameter, not over 18 inches wide and sheared to lengths not over 36 inches. No piece to weigh less than 10 pounds. Must be new material and free from excessive rust.

Item 14—"Low Phos. Punchings and Plate Scrap":

Punchings from plate and structural-steel scrap, not less than ¼ inch thick and not less than ½ inch diameter, not over 0.04 percent of phosphorus or 0.5 percent of sulphur, not over 0.5 percent of silicon, free from alloys. Must be free from dirt and excessive rust or corrosion. Pieces must be cut 12 inches and under.

Item 15—"Heavy Cut Structural and Plate Scrap, 3 ft. and Under":

Open-hearth steel plates, structural shapes, crop ends, shearings, broken steel tires, knuckles, tool steel, and spring steel. Must be not less than ¼ inch thick, cut to 3 ft. and under. Not over 0.04 percent of phosphorus or sulphur, clean, free from excessive rust and corrosion, and to contain no foreign material.

Item 16—"Heavy Cut Structural and Plate Scrap, 2 ft. and Under":

Open-hearth steel plates, structural shapes, crop ends, shearings, broken steel tires, knuckles, tool steel and spring steel. Must be not less than ¼ inch thick, cut to 2 ft. and under. Not over 0.04 percent of phosphorus or sulphur, clean, free from excessive rust and corrosion, and to contain no foreign material.

Item 17—"Heavy Cut Structural and Plate Scrap, 1 ft. and Under":

Copyright, January 9, 1942, The Research Institute of America, Inc.

Open-hearth steel plates, structural shapes, crop ends, shearings, broken steel tires, knuckles, tool steel, and spring steel. Must be not less than ¼ inch thick, cut to 1 ft. and under. Not over 0.04 percent of phosphorus or sulphur, clean, free from excessive rust and corrosion, and to contain no foreign material.

Items 18, 19 and 20 shall consist of uncoated steel parts of automobiles cut respectively to the dimensions specified and never to include body and fender stock.

Item 21—"Alloy Free Low Phos. and Sulphur Turnings":
New, clean steel or wrought-iron turnings, free from lumps, badly tangled or matted material, cast-iron borings, other metals, excessive oil, dirt, or foreign material of any kind. Badly rusted or corroded stock must not be included. (Material must be alloy free and 0.045 and under in phosphorus and sulphur.)

Item 22—"First Cut Heavy Axle and Forge Turnings":
Heavy steel or iron axle or forge turnings, guaranteed not over 0.04 percent of phosphorus or sulphur. Must not contain foreign material and must be clean and free from excessive rust and corrosion. Must not weigh less than 75 pounds per cubic foot.

*Item 23 must be new all black hydraulic compressed sheet bundles 12 by 12 by 18 in. or smaller.**

Sec. 1304.14—Appendix B

Maximum Prices for Iron and Steel Scrap Originating from Railroads

(a) *Scrap Originating from Railroads—Operating in basing point [1] named below.*

(All the prices given below are per gross ton.)

The scrap is at its point of delivery to the consumer when it has arrived for unloading at the plant of the consumer.

"Transportation charges" means the established charges for transporting the scrap by the mode of transportation employed. If no established transportation rate exists for all or a portion of the movement to the point of delivery, then the actual charge or cost incurred in such movement or portion thereof may be used in computing transportation charges. In no case shall transportation charges include any charge or cost incurred in unloading the scrap at the point of delivery, or in subsequent handling.

(1) *Delivered to a consumer's plant located on the line of the railroad from which the scrap originated*

Basing points	(i) Listed grades					
	No. 1 railroad grade heavy melting steel	Scrap rails	Rails for rerolling [2]	Scrap rails 3 feet and under	Scrap rails 2 feet and under	Scrap rails 18 in. and under
Ashland, Ky.....	$20.50	$21.50	$23.00	$23.50	$23.75	$24.00
Birmingham, Ala...	18.00	19.00	20.50	21.00	21.25	21.50
Buffalo, N. Y.....	20.25	21.25	22.75	23.25	23.50	23.75
Canton, Ohio.....	21.00	22.00	23.50	24.00	24.25	24.50
Chicago, Ill.....	19.75	20.75	22.25	22.75	23.00	23.25
Cincinnati, O.....	20.50	21.50	23.00	23.50	23.75	24.00
Cleveland, O.....	20.50	21.50	23.00	23.50	23.75	24.00
Detroit, Mich.....	18.85	19.85	21.35	21.85	22.10	22.35
Duluth, Minn.....	19.00	20.00	21.50	22.00	22.25	22.50
Kansas City, Mo...	17.00	18.00	19.50	20.00	20.25	20.50
Kokomo, Ind.....	19.25	20.25	21.75	22.25	22.50	22.75
Los Angeles, Cal...	18.00	19.00	20.50	21.00	21.25	21.50
Middletown, O.....	20.50	21.50	23.00	23.50	23.75	24.00
Philadelphia, Pa...	19.75	20.75	22.25	22.75	23.00	23.25
Pittsburgh, Pa.....	21.00	22.00	23.50	24.00	24.25	24.50
Portsmouth, O.....	20.50	21.50	23.00	23.50	23.75	24.00
San Francisco, Cal.	18.00	19.00	20.50	21.00	21.25	21.50
Seattle, Wash.....	15.50	16.50	18.00	18.50	18.75	19.00
Sharon, Pa.....	21.00	22.00	23.50	24.00	24.25	24.50
SparrowsPoint,Md.	19.75	20.75	22.25	22.75	23.00	23.25
Steubenville, O.....	21.00	22.00	23.50	24.00	24.25	24.50
St. Louis, Mo.....	18.50	19.50	21.00	21.50	21.75	22.00
Wheeling, W. Va...	21.00	22.00	23.50	24.00	24.25	24.50
Wilmington, Del...	19.75	20.75	22.25	22.75	23.00	23.25
Youngstown, O.....	21.00	22.00	23.50	24.00	24.25	24.50

[1] Where the railroad originator of the scrap operates in two or more of the Basing Points named above, the highest of the maximum prices established above for such Basing Points shall be the maximum price of the scrap delivered to a consumer's plant at any point on the railroad's line.

[2] The term "rails for rerolling" includes any rails which are sold to be used for rerolling, irrespective of whether or not such rails are usable for re-laying.

(ii) *Grades not listed.* (a) The price at which a consumer located on the line of the railroad from which the scrap originated may purchase any grade of scrap not listed above shall not exceed the average price per gross ton which such railroad sold such grade delivered to the Plant of a consumer, whether located on or off the line of the railroad, during the period commencing September 1, 1940, and ending January 31, 1941, or, in case no sale was made during the period, the price at which the grade was last sold by the railroad prior thereto, *and, in either event,* adjusted to allow for the average grade differentials of the railroad in a manner indicated in subparagraph (b) below.

(b) For purposes of subparagraph (a) above, the maximum prices for any grade not listed in paragraph (1), (i), shall be adjusted to allow for the average grade differentials of the railroad by:

First, computing the amount of the base grade differential for the railroad which shall be the difference between the average price per gross ton at which the railroad from which the scrap originated sold No. 1 Railroad Grade Heavy Melting Steel Scrap delivered to the plant of the consumer, whether located on or off the line of the railroad, during the period commencing September 1, 1940, and ending January 31, 1941, and the railroad's maximum price established for such grade under paragraph (1), (i); and

Second, by applying this base grade differential to the price to be adjusted by either (1) subtracting the amount of such differential from such prices in case the railroad's average price of No. 1 Railroad Grade Heavy Melting Steel Scrap exceeds the railroad's maximum price established for such grade under paragraph (a), (1), or (ii) adding the same in case the railroad's average price is less than such maximum.

(2) *Delivered to a consumer's plant located off the line of the railroad from which the scrap originated.*

Except in the case of shipments of scrap by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, N. Y., Cleveland, Ohio, Elyria, Ohio, and Saginaw, Michigan, the maximum price is either of the following, whichever is greater:

(i) The maximum price established in paragraph (1) above, for scrap delivered to a consumer on the line of the railroad from which the scrap originated, or, if the consumer can establish that he has been served by the same source of scrap in the past, this maximum price plus transportation charges (including off-the-line switching charges), from the railroad's line to the point of delivery, of not more than two dollars per gross ton for Rails for Rerolling, Scrap Axles and other scrap for rerolling, and of not more than one dollar per gross ton for all other grades of scrap; or

(ii) The prices listed in paragraph (1) above, for the Basing Point nearest the consumer's plant.

Where scrap is shipped by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, New York, Elyria, Ohio, Cleveland, Ohio, Saginaw, Michigan, the maximum delivered price shall be the maximum price established in paragraph (1) above, for scrap delivered to a consumer on the line of the railroad from which the scrap originated, plus transportation charges from the railroad's line to the point of delivery.

(b) *Scrap originating from railroads not operating in any of the basing points named above.* Except in the case of Rails for Rerolling, the maximum price of any grade of such scrap delivered to consumers located on and off the line of the railroad shall not exceed:

(1) *For the grades listed above, either of the following, whichever is less:*

(i) The average price per gross ton at which the railroad originator of the scrap sold any such grade to consumers located on and off the line of the railroad during the period commencing September 1, 1940 and ending January 31, 1941; or

(ii) The price at the Basing Point nearest, in terms of transportation charges, to the consumer's plant; and

(2) *For the grades not listed above, either of the following, whichever is less:*

(i) The average price per gross ton at which the railroad originator of the scrap sold any such grade to consumers located on and off the line of the railroad during the period commencing September 1, 1940 and ending January 31, 1941; *or*

(ii) The average price per gross ton as determined in Subparagraph (i) hereof, minus the amount by which the average price of No. 1 Railroad Grade Heavy Melting Steel scrap, as determined in (i), exceeds the price of No. 1 Railroad Grade Heavy Melting Steel scrap at the Basing Point nearest, in terms of transportation charges, to the consumer's plant.

In the case of Rails for Rerolling, the maximum price of such scrap f.o.b. the line of the railroad originator thereof shall be the average price per gross ton at which the railroad originator sold such grade f.o.b. *its line* during the period commencing September 1, 1940, and ending January 31, 1941. The maximum price of Rerolling Rails shall be the f.o.b. line price thus established plus transportation charges from the railroad's line to the rerolling mill's point of delivery.

This exception for Rails for Rerolling applies only to railroads not operating in a Basing Point named in paragraph (a), (1), (i) hereof.

(c) *Scrap which cannot be identified as to origin.* The maximum price per gross ton at which a consumer may purchase any grade of railroad scrap which cannot be identified as to origin, shall not exceed the maximum price established under Appendix A for No. 1 Heavy Melting Steel.

(d) *Railroad scrap for which average price information is inadequate or unrepresentative.*

Where scrap originates from a railroad, and the average price information required under paragraph (1)(ii) or (b) above, is inadequate or unrepresentative with respect to any grade of scrap, the Office of Price Administration shall establish such maximum price therefor as it shall deem reasonable. In such case, whenever feasible, due regard shall be given to the maximum prices established for nearby railroads, or the price at the Basing Point nearest the railroad's place of accumulation, or both.

(e) *Maximum shipping point and delivered prices for No. 1 Heavy Melting Steel, scrap rails and rails for rerolling originating from mines, and logging roads.*

The most favorable basing point. The "most favorable basing point" is the basing point, which when used to compute the shipping point price in the manner set forth in subparagraphs (1) and (2) below, will yield the highest shipping point price.

(1) *Where shipment to the consumer is wholly or partially by rail, or vessel, or combination of rail and vessel.* Where the shipment of such scrap to the consumer is by rail, or vessel, or combination of rail and vessel, the scrap is at its shipping point when it is placed f.o.b. railroad car or f.a.s. vessel for shipment to the consumer. In such cases, the maximum shipping point price shall be the price listed in paragraph (a) hereof for the scrap at the most favorable basing point, minus the lowest established charge for transporting scrap from the shipping point to such basing point by rail or water carrier, or combination thereof. Where such transportation includes vessel movement, the tariffs establishing charges at the dock or, in case no such tariffs are published, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price.

(2) *Where shipment to the consumer is solely by motor vehicle.* Where the shipment of such scrap to the consumer is solely by motor vehicle, the scrap is at its shipping point when it has been loaded on such vehicle. In such cases, the maximum shipping point price shall be the price listed in paragraph (a) hereof or the scrap at the most favorable basing point minus the lowest established charge for transporting scrap by common carrier from the shipping point to such basing point. Where such transportation includes vessel movement, the tariffs establishing charges at the dock, or in case no such tariffs are published, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price. If no established transportation rate exists for all or a portion of the movement from shipping point to basing point, the actual charge or cost customarily incurred by the shipper in such portion of the movement shall be included as part of the deduction in computing the shipping point price.

Provided, however, that the shipping point price as computed in subparagraphs (1) and (2) above, need in no case be less than $13.00 per gross ton for No. 1 Heavy Melting Steel, $14.00 per gross ton for Scrap Rails and $16.00 per gross ton for Rails for Rerolling.

The maximum delivered price of such rails shall be the shipping point price thus established, plus transportation charges from the shipping point to the point of delivery. In no case shall such transportation charges include any charge or cost incurred in placing the scrap at its shipping point. If shipment is by water, and tariffs establishing charges at the dock are published, charges incurred at the dock, but not to exceed the published tariffs, may be included as part of transportation charges. Where no such tariffs are published, actual charges incurred at the dock, but not to exceed 75 cents per gross ton, may be included as part of transportation charges. In either case such charges must be shown as a separate item on the invoice.

(f) *Unprepared Scrap.* The maximum prices established hereinabove are maximum prices for prepared scrap. For unprepared scrap, maximum prices shall be $2.50 less than the maximum prices for the corresponding grade or grades of prepared scrap.

Where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (c) hereof, until after such preparation has been completed.*

Sec. 1304.15—Appendix C
Maximum Prices for Cast Iron Scrap Other Than Railroad Scrap

(All the prices given below are per gross ton.)

(a) *Maximum Price at Shipping Point.*

Where the shipment of the scrap to the consumer is wholly or partially by rail, or vessel, or combination of rail and vessel, the scrap is at its shipping point when it has been placed f.o.b. railroad car or f.a.s. vessel for shipment to the consumer.

Where shipment of the scrap to the consumer is solely by motor vehicle, the scrap is at its shipping point when it has been loaded on such vehicle.

The shipping point price for grades [1] of cast iron scrap at the following shipping points in the United States shall be:

	Group A	*Group B*	*Group C*
1. No. 1 Cupola Cast.....	$18.00	$19.00	$20.00
2. No. 1 Machinery Cast, Drop Broken, 150 lbs. and under	18.00	19.00	20.00
3. Clean Auto Cast.....	18.00	19.00	20.00
4. Stove Plate	14.00	15.00	16.00
5. Heavy Breakable Cast..	16.50	17.50	18.50
6. Charging Box Size Cast	17.25	18.25	19.25

Group A includes the states of Montana, Idaho, Wyoming, Nevada, Utah, Arizona and New Mexico.

Group B includes the states of North Dakota, South Dakota, Nebraska, Colorado, Kansas, Oklahoma, Texas and Florida.

Group C includes all states not named in groups A and B.

(b) *Maximum Price Delivered to a Consumer.*

Scrap is at its point of delivery to a consumer when it has arrived for unloading at the plant of the consumer.

(i) Except as provided in subparagraph (ii), below, the maximum price at which any grade of scrap may be delivered to a consumer is the shipping point price as listed in paragraph (a) above, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transporting employed. If no established transportation rate exists for all or a portion of the movement from shipping point to point of delivery, then the actual charge or cost incurred in such movement or portion thereof, may be added in computing the maximum delivered price. In no case shall such transportation charge include any charge or cost incurred in placing the scrap at the shipping point; nor shall any charge or cost incurred in unloading the scrap at the point of delivery, or in subsequent handling, be included. If shipment is by water, and tariffs establishing charges at the dock are published, charges incurred at the dock, but not to exceed the published tariffs, may be included as part of transportation charges. Where no such tariffs are published, actual charges incurred at the dock but not to exceed 75 cents per gross ton, may be included as part of transportation charges. In either case such charges must be shown as a separate item on the invoice.

Copyright, January 9, 1942, The Research Institute of America, Inc.

(ii) Where the shipment of the scrap to the consumer is solely by motor vehicle, the delivered price shall not exceed the shipping point price unless the consumer shall receive a certificate made out to the Office of Price Administration, Washington, D. C., and signed by the person from whose yard or point of accumulation the scrap was placed at its shipping point and by the person by whom or on behalf of whom the scrap was transported from shipping point to point of delivery. Such certificate shall specify the shipping point, quantity and grade of the scrap, and the transportation charges from shipping point to point of delivery. The consumer shall acknowledge receipt of the material on the face of the certificate.

The above mentioned certificate, shall be preserved by the consumer as part of the record-keeping requirements outlined in Section 1304.8. A copy shall likewise be preserved by all persons signing the certificate.

(c) Definitions of grades referred to in paragraph (a).

Item 1: No. 1 Cupola Cast. Clean cast-iron scrap, such as columns, pipes, plates, and castings of miscellaneous nature but free from stove plate and agricultural scrap. Must be cupola size, not over 24 by 30 inches in dimensions, and no piece to weigh over 150 pounds. Must be free from foreign material.

Item 2: No. 1 Machinery Cast, Drop Broken, etc. Clean machinery cast-iron scrap. Must be cupola size, not over 25 by 30 inches in dimensions, and no piece to weigh over 150 pounds.

Item 3: Clean Auto Cast. Clean, broken auto blocks, free of all steel parts and broken 75 pounds or under.

Item 4: Stove Plate. Clean cast-iron stove plate. Must be free from malleable and steel parts, window weights, plow points, grates, burnt iron, etc.

Item 5: Heavy Breakable Cast. Clean cast-iron scrap, such as columns, pipes, plates, and castings of miscellaneous nature, weighing over 150 pounds, and which can be broken by an ordinary drop into cupola size.

Item 6: Charging Box Size Cast. Clean cast-iron scrap, such as columns, pipes, plates and castings of miscellaneous nature, but free from stove plate and agricultural scrap. Must be 18 in. x 18 in. x 5 ft. and smaller.*

(d) *Unprepared Scrap.* Except in the case of heavy breakable cast, the maximum prices established hereinabove are maximum prices for prepared scrap. For unprepared scrap, exclusive of heavy breakable cast, maximum prices shall be $2.50 less than the maximum prices for the corresponding grade or grades of prepared scrap.

Where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (a) hereof, until after such preparation has been completed.

Sec. 1304.16 **Appendix D—Maximum prices for iron and steel scrap for export from the United States.**

(Per Gross Ton, f.a.s. and f.o.b. Point of Export.)

(a) *Other than railroad scrap.* The maximum export price of any grade of iron and steel scrap other than railroad scrap shall be the maximum shipping point price derived under Appendix A or C, plus all transportation charges, as defined in paragraph (d) of Appendix A, for transporting the scrap from the shipping point to the place of export. For scrap exported by ship this maximum export price shall be f.a.s. vessel at the place of export and actual costs incident to shipment for export may be added if shown as a separate charge on the invoice. For scrap exported by means other than by ship, this maximum export price shall be f.o.b. railroad cars at the place of export. Commission of the domestic broker may be added as provided in Section 1304.6 of this Schedule and must be shown as a separate charge on the invoice.

(b) *Scrap originating from railroads.* The maximum export price of any grade of iron and steel scrap of railroad origin shall be the maximum price established and determined under Appendix B for a consumer located on the line of the railroad originator of the scrap plus all transportation charges, as defined in paragraph (a) of Appendix B, from the line to the place of export. For scrap originating from a railroad not operating at a Basing Point, no transportation charges shall be added to the maximum prices of such scrap as determined under Appendix B. For scrap exported by ship these maximum prices shall be f.a.s. vessel at the place of export and actual costs incident to shipment for export may be added if shown as a separate charge on the invoice. For scrap exported by means other than by ship, this maximum export price shall be f.o.b. railroad cars at the place of export. Commission of the domestic broker may be added as provided in Section 1304.6 of this Schedule and must be shown as a separate charge on the invoice.*

Sec. 1304.17 **Appendix E—Maximum Prices for Iron and Steel Scrap Imported into the United States.**

Only consumers, and persons acting as brokers on behalf of specific consumers, may enter into contracts to import iron and steel scrap.

Imported scrap is at its point of delivery to a consumer when it has arrived for unloading at the consumer's plant.

No such purchase of imported scrap may be made until after the consumer has filed with the office of Price Administration, Washington, D. C., a fully detailed statement under oath setting forth the name and address of the seller, the grade and quantity of the scrap, a detailed breakdown of all factors of which the price at the point of delivery is comprised; and until such application has been approved.

Immediately upon delivery of such scrap, the consumer must file certified copies of bills of lading covering the shipment of such scrap.*

---

[1] Maximum prices of inferior grades shall continue to bear the same differential below the corresponding schedule grade as existed during the period September 1, 1940 to January 31, 1941. In no case shall any grade deemed by buyer, or seller, or both to be superior to any grade listed above be sold at a premium above the corresponding schedule grade except upon prior approval by the Office of Price Administration. No special preparation charges may in any case be added to the prices listed above.

* Secs. 1304.1 to 1304.17, inclusive, issued pursuant to the authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483.

Vf·254. Crackdown against violators of scrap schedule. Following the announcement by the Price Administrator that he will by the use of "all necessary sanctions" at his command compel strict compliance with the scrap schedule, a number of violators have signed stipulations to the effect that they will refund all amounts collected since September 2, 1941, in excess of the maximum prices established by OPA. The Price Administrator has pointed out that his office is devoting particular attention to two prohibited practices: The "upgrading" of scrap and the charging of "commissions" by brokers and dealers selling scrap out of their own yards. In several instances a supposedly new grade "No. 1 industrial heavy melting scrap" was sold as the equivalent of No. 1 railroad grade heavy melting scrap at a premium of $1 a ton over the so-called ordinary No. 1 heavy melting scrap. OPA insisted that this newly improvised grade is the same as the ordinary No. 1 heavy melting scrap and may not be sold at a premium over the maximum set in the schedule.

observation: OPM stands firm on the conditions under which commissions may properly be charged. Specific emphasis is placed on the stipulation that

the agent or broker must be employed by a consumer to purchase iron and steel scrap for the consumer's use, and on the provision that a dealer who has never acted as a broker prior to June 18, 1941, "shall in no case be allowed a brokerage commission."

Vf·255. OPA action to prevent upgrading. A special staff of inspectors will visit consumer plants and will be given access to incoming scrap shipments prior to unloading. Upgraded scrap will be recommended for reclassification and sellers and buyers accepting upgraded materials will be subject to penalties. Inspections will be made without pre-announced schedules.

Copyright, January 26, 1942, The Research Institute of America, Inc.

Vf·256. Technical changes contained in Amendments 13 and 14 to Price Schedule No. 4. Effective February 7 and February 9, 1942, respectively, two amendments to the iron and steel scrap price schedule brought several technical revisions and adjustments.

(1) New maximum prices are set for borings for chemical use depending upon whether or not they are used for explosives.

(2) In New England the maximum is to be computed from the most favorable basing point with a transportation charge up to $6.25 per gross ton.

(3) Instead of established dock charges, charges specifically listed for various points have to be applied.

(4) Only public carriers may use the established freight rates. If the scrap seller uses his own motor vehicle, charges must be based on the rail carload rate; they need not, however, be below $1 per gross ton. Certification must be executed for cast iron delivered by motor vehicle only on Form 104:15.

(5) Railroads which do not file price information up to February 16 will have to sell at prices provided in Appendices A and C. The same applies to railroad scrap shipped from a dealer's yard. In both cases special provisions are made for long and short scrap rails and rails for rerolling.

(6) The maximum price for No. 1 heavy melting steel within the Boston switching district is redefined to eliminate the former advantage of persons with dock facilities.

(7) Definitions of certain grades have been clarified. Bundles containing tin-coated material must be priced in accordance with the percentage of tin-coated material included. Mixed grades must be considered unprepared scrap unless specifically authorized by the consumer. Unprepared scrap excludes objects requiring dismantling such as bridges or graveyard automobiles. The latter must be priced so as to allow a prepared scrap price within the maximum.

(8) The provision permitting dealers to prepare unprepared "remote" scrap for a fee of $2.50 per gross ton is limited to rail carload lots.

Vf·257. Amendments Nos. 13 and 14 to Price Schedule No. 4—iron and steel scrap.

Sections 1304.5, 1304.6 and 1304.8 are amended to read as follows: 1304.13 (a) footnotes 6 and 7, paragraphs (c), (d), (e), and items 2, 4, 5, 7, 14, 21 and 23 of paragraph (f) are amended as set forth below; paragraphs (a), (c) and (d) of Section 1304.14 are amended as set forth below and paragraphs (e) and (f) of 1304.14 are revoked. Paragraphs (a), (b) and (c) of Section 1304.15 are amended to read as followers:

Sec. 1304.5 **Geographical Application.** The provisions of this Schedule shall apply only to sales, offers to sell, deliveries, or transfers of iron and steel scrap moving within, into or out of one of the 48 States of the United States or the District of Columbia.

Sec. 1304.6 **Commissions.** No commission shall be payable hereunder, except by a consumer to a broker for brokerage services rendered to the consumer. In the event that a consumer shall employ a broker to purchase iron and steel scrap, such consumer may pay such broker a commission not exceeding 50 cents per gross ton. No commission shall be payable unless (a) the broker guarantees the quality and delivery of an agreed tonnage of scrap; (b) the scrap is purchased by the consumer at a price not higher than the maximum applicable herein; (c) the broker sells the scrap to the consumer at the same price at which he purchased it; (d) the broker does not split or divide the commission, in whole or in part, with the seller or sellers of the scrap, with another broker or sub-broker, or with the consumer. No commission shall be payable to a person for scrap which he prepares.

* * *

Sec. 1304.8 **Record-Keeping and Reporting Requirements.** Every dealer in, and every maker, smelter, processor, broker, or consumer of, and every other person purchasing or selling iron and steel scrap shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of:

(a) As of the close of each month, the quantity in pounds and quality by grades of iron and steel scrap, (1) on hand and (2) on order;

(b) In the case of transactions for which maximum prices are established in this Schedule, each such purchase or sale, the date thereof, the name and address of the buyer or the seller, the shipping point price, the quantity in pounds and quality in grades, as defined in the applicable appendix, the mode or modes of transportation used from shipping point to point of delivery, the transportation charges involved, the bills of lading and other documents evidencing the movement from shipping point to point of delivery, the delivered price and the commission, if any, involved in the transaction. The record shall also contain such further requirements as are set forth in the applicable appendix (see especially Sec. 1304.15, (b) (2) (iii)).

(c) In the case of transactions including purchases of sales of used material which is to be made into iron and steel scrap, e.g., a box car, locomotive, graveyard automobile or the like for which no maximum prices are established hereunder, each such purchase or sale, the date thereof, name and address of the buyer or seller, the type of material involved, the purchase or sales price, and the terms of such price (i.e., whether the material is purchased or sold *as is*, *where is*, or *delivered to the dealer's yard*, or otherwise).

(d) Persons affected by this Schedule shall submit such reports to the Office of Price Administration as it may from time to time require.

* * *

Sec. 1304.13 **Appendix A—Maximum Prices for Iron and Steel Scrap Other Than Railroad Scrap.** (a) Basing points [1] prices from which shipping point prices and consumers' delivered prices are to be computed.

* * *

Basic Open Hearth Grades [6]

* * *

Electric Furnace, Acid Open Hearth and Foundry Grades [6] [7]
(For electric furnace, acid open hearth and foundry use only)

* * *

---

[6] In no case may special preparation charges be added to the prices listed above. Inferior grades shall continue to be purchased at the differential below the corresponding listed grade price which the consumer paid during the period September 1, 1940 to January 31, 1941. Bundles with less than 50% tin-coated material shall be priced at $5.00 per gross ton under Basic Open Hearth Grades; bundles with more than 50% tin-coated material shall be priced at $8.00 below Basic Open Hearth Grades.

Except upon prior approval by the Office of Price Administration, no grade of scrap deemed by buyer or seller or both to be superior to any grade listed above shall be purchased at a premium above the corresponding listed grade with the following exceptions: (a) In the case of cast iron borings, containing no more than 0.5 percent oil content, for chemical use in the manufacture of explosives, the basing point price shall be $5.00 per gross ton over the price of Item 11. Where cast iron borings are purchased for chemical use other than in the manufacture of explosives, the price shall be $3.00

Copyright, February 27, 1942, Research Institute.

per gross ton over the price of Item 11. (b) In the case of ingot iron scrap and any alloyed ferrous scrap, except manganese scrap, purchased by an Electric Furnace or Acid Open Hearth for recovery of alloy content, such grades may be purchased at the differential above the corresponding listed grade which the consumer paid during the period September 1, 1940, to January 31, 1941.

Mixed shipments of Basic Open Hearth or Blast Furnace grades shall be deemed shipments of unprepared scrap and shall be priced in accordance with the provisions of paragraph (e) of this section, unless the consumer has authorized a mixed shipment in his purchase order.

---

[7] Except in cases in which the Office of Price Administration has given prior approval to Basic Open Hearth consumers to purchase Alloy Free Low Phos. and Sulphur Turnings at the prices listed above, no Basic Open Hearth or Blast Furnace consumer may purchase any of the above grades at a price in excess of the price listed herein for the corresponding Basic Open Hearth or Blast Furnace Grade. The prices of Items 12 and 22 shall not exceed the prices of Basic Open Hearth and Blast Furnace Grades respectively, unless delivered to the consumer direct from the industrial producer thereof.

* * *

(c *Maximum shipping point price*—(1) *Where shipment to the consumer is wholly or partially by rail, or vessel, or combination of rail and vessel.* Where the shipment of scrap to the consumer is by rail, or vessel, or combination of rail and vessel, the scrap is at its shipping point when it has been placed f.o.b. railroad car or f.a.s. vessel for shipment to the consumer. In such cases, the maximum shipping point price shall be:

(i) For shipping points located within a basing point, the price listed in paragraph (a) hereof for the scrap at the basing point in which the shipping point is located minus the lowest established switching charge for scrap within the basing point; and

(ii) For shipping points located outside a basing point, the price listed in paragraph (a) hereof for the scrap at the most favorable basing point, minus the lowest established charge for transporting scrap from the shipping point to such basing point by rail or water carrier, or combination thereof. Where vessel movement is involved in the computation, in lieu of any established charges at the dock, or of any charge or cost customarily incurred at the dock, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price: Provided, however, at Memphis, Tenn. the deduction shall be 50 cents per gross ton, at Great Lakes ports $1.00 per gross ton, and at New England ports $1.25 per gross ton.

(2) *Where shipment to the consumer is solely by motor vehicle.* Where the shipment of scrap to the consumer is solely by motor vehicle, the scrap is at its shipping point when it has been loaded on such vehicle. In such cases, the maximum shipping point price shall be:

(i) For shipping points located within a basing point, the price listed in paragraph (a) hereof for the scrap at the basing point in which the shipping point is located minus the lowest established switching charge for scrap within the basing point; and

(ii) For shipping points located outside a basing point, the price listed in paragraph (a) hereof for the scrap at the most favorable basing point minus the lowest established charge for transporting scrap by public carrier from the shipping point to such basing point. Where vessel movement is involved in the computataion, in lieu of any established charges at the dock or of any charge or cost customarily incurred at the dock, 75 cents per gross ton must be included as part of the deduction in computing the shipping point price: Provided, however, At Memphis, Tenn., the deduction shall be 50 cents per gross ton, at Great Lakes ports $1.00 per gross ton, and at New England ports $1.25 per gross ton. If no established transportation rate exists for a portion of the movement from shipping point to basing point, the actual charge or cost customarily incurred by the shipper in such portion of the movement shall be included as part of the deduction in computing the shipping point price.

(3) No charge shall be deemed an established charge within the meaning of this Schedule unless it has been the basis of actual movement of scrap to the most favorable basing point during the calendar year 1941.

(4) *Exceptions to the formula for computing shipping point prices contained in (a) and (b) above.*[1] (i) At all shipping points in the United States, the maximum shipping point price for No. 1 Heavy Melting Steel Scrap (with St. Louis price differentials for the other grades) need not fall below $13.00 per gross ton. In Tampa, Florida, Pensacola, Florida, Gulfport, Mississippi, Mobile, Alabama, New Orleans, Louisiana, Lake Charles, Louisiana, Port Arthur, Texas, Beaumont, Texas, Galveston, Texas, Texas City, Texas, Houston, Texas, and Corpus Christi, Texas, the maximum shipping point price need not fall below $14.00 per gross ton for No. 1 Heavy Melting Steel Scrap (with St. Louis price differentials for the other grades).

(ii) Maximum shipping point prices at any shipping point in New York City, Brooklyn, N. Y., and New Jersey, which by reason of vessel rates have Buffalo or Sparrows Point as their most favorable basing point shall be computed from the prices at the Bethlehem, Pennsylvania basing point rather than the prices at Buffalo or Sparrows Point.

(iii) The maximum shipping point price within the Cincinnati basing point for Basic Open Hearth Grades and Items 18, 19 and 20 shall be the Cincinnati basing point price minus 80 cents per gross ton.

(iv) The maximum shipping point price for No. 1 heavy melting steel (with Sparrows Point differentials for the other grades) at all shipping points within the Boston, Mass., switching district shall be $15.05 per gross ton f.o.b. cars or f.a.s. vessel, or, where delivery to the consumer is solely by motor vehicle, loaded on such vehicle.

(d) *Maximum prices delivered to the plant of a consumer.* Scrap is at its point of delivery to the consumer when it has arrived for unloading at the plant of the consumer. In no case shall any charge or cost incurred in placing the scrap at the shipping point or any charge or cost incurred in unloading the scrap at the point of delivery, or in subsequent handling, be included in the maximum delivered price.

(1) *Where transportation from shipping point to point of delivery is wholly or partially by rail, or vessel, or combination of rail and vessel,* the maximum delivered price shall be the shipping point price as determined in paragraph (c) above, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transportation employed.

Where transportation from shipping point to point of delivery includes water movement, if no established rate exists for such water movement, then the actual charge or cost incurred in such movement may be used in computing the maximum delivered price.

Where transportation to the point of delivery includes water movement, no established charges at the dock, or any charge or cost customarily incurred at the dock, may be included in the delivered price. In lieu thereof, 75 cents per gross ton may be included in the maximum delivered price: *Provided, however,* That this maximum allowance shall be 50 cents per gross ton at Memphis, Tenn., $1.00 per gross ton at Great Lakes ports, and $1.25 per gross ton at New England ports. Such allowances must be shown as a separate item on the invoice.

(2) *Where transportation from shipping point to point of delivery is solely by motor vehicle:*

(i) Where transportation is by *public carrier,* the maximum delivered price shall be the shipping point price as determined in paragraph (c) above, plus the established public carrier charge for transporting the scrap by motor vehicle from the shipping point to the point of delivery.

(ii) Where transportation is by *other than public carrier,* the maximum delivered price shall be the shipping point price as determined in paragraph (c) above, plus the charge for transporting the scrap at the established rail carload rate for the lowest minimum weight from the rail siding nearest the shipping point to the rail siding nearest the point of delivery: *Provided, however,* That this charge need never fall below $1.00 per gross ton.

(3) *In no case, however, shall the delivered price exceed by more than one dollar the price listed in paragraph (a) for the basing point nearest, in terms of established transportation charges, to the consumer's plant, with the following exceptions:*

Exception 1. For consumers having St. Louis as their nearest basing point the delivered price may not exceed the St. Louis basing point price by more than $1.50; Provided, That the delivered price of scrap shipped to such consumers from shipping points in Arkansas may not exceed the St. Louis basing point price by more than two dollars. For consumers whose nearest basing points are Detroit, Birmingham

and Alabama City, respectively, the delivered price may not exceed by more than two dollars the price at their respective basing points.

Exception 2. In the case of machine shop turnings or related grades of turnings, as defined herein, delivered to electric furnace producers of ferro alloys, and in the case of chemical borings delivered to chemical users thereof, the delivered price shall not be limited to one dollar in excess of the price at the basing point nearest the consumer's plant.

Exception 3. "Remote Scrap" means all the kinds and grades of iron and steel scrap referred to in Appendix A and having a shipping point and a point of origin within the states of Montana, Idaho, Wyoming, Nevada, Arizona, New Mexico, Texas, Oklahoma, Florida, Oregon, Utah, North Dakota, and South Dakota. Colorado scrap shall be remote scrap for Colorado consumers only.

((i) and (ii) follow.)

Exception 4. Where scrap is shipped by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, New York; Elyria, Ohio; Cleveland, Ohio; Saginaw, Michigan; Detroit, Michigan, or Chicago, Illinois, the delivered price shall not be limited to one dollar in excess of the price at the basing point nearest the consumer's plant.

Exception 5. In computing the delivered price of Billet, Bloom and Forge crops originating in and shipped from the Pittsburgh Basing Point, the maximum transportation charges which may be added to the shipping point price shall be $2.50.

Exception 6. The delivered price of Low Phos. and Sulphur Punchings and Plate Scrap, Low Phos. and Sulphur Bar Crops and Smaller, Alloy Free Low Phos. and Sulphur Turnings, and First Cut Heavy Axle and Forge Turnings produced in industrial plants in the State of Michigan and shipped directly to consumers located in or nearest, in terms of established transportation charges, to the Buffalo, N. Y., Pittsburgh, Brackenridge, or Midland, Pa. basing points, shall not exceed by more than $3.00 the price at the basing point nearest the consumer's plant.

Exception 7. Where scrap is shipped from a New England shipping point, the maximum transportation charges which may be added to the shipping point price shall be $6.27 per gross ton.

Exception 8. Where the shipping point price of scrap is computed from water rates, and water movement is not available the year round, consumers who can establish that they did receive delivery of such scrap by water within $1.00 of the price at their nearest basing point between April 15 and November 15, 1941, may pay the shipping point price plus all-rail transportation charges from the shipping point to the point of delivery whenever water movement is not available.

(e) *Unprepared scrap.* The maximum prices established hereinabove are maximum prices for prepared scrap. The term "unprepared scrap" shall have its customary trade meaning and shall not include such demolition projects as bridges, box cars or graveyard automobiles, which must be so priced that the prepared scrap will deliver to the consumer within the maximum delivered price established hereinabove.

For unprepared scrap, maximum prices shall be $2.50 less than the maximum prices for the corresponding grade or grades of prepared scrap. In no case, however, shall Electric Furnace and Foundry grades, listed in paragraph (a) above be used as the "corresponding grade or grades of prepared scrap."

Except as otherwise provided hereunder, where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (c) of this section, until after such preparation has been completed. Where a consumer purchases unprepared *remote* scrap in rail carload lots, if no adequate facilities for preparation exist at or near the shipping point, the consumer may designate a dealer or dealers to prepare such scrap for its use at a maximum preparation fee of $2.50 per gross ton. In such cases the maximum delivered price shall be the shipping point price for unprepared scrap at the remote shipping point plus all-rail transportation charges to the point of delivery at the dealer's yard plus a $2.50 per gross ton preparation fee plus transportation charges from the dealer's yard to the point of delivery after the scrap has been loaded on the delivering carrier. Interim loading, unloading and similar charges may not be absorbed by the consumer. The maximum delivered price of such scrap shall not exceed by more than $5.00 the price at the basing point nearest the consumer's plant except upon prior approval of the Office of Price Administration as provided in Exception 8 in paragraph (d) of this section. Every purchase of scrap on this preparation fee basis shall likewise be subject to all the filing and other requirements in Exception 3 of paragraph (d) of this section.

At no time shall ownership of such scrap reside in the dealer to whom the preparation fee is paid.

(f) Definitions of grades referred to in paragraph (a).

* * *

Item 2—"No. 1 Hydraulic compressed Black Sheet Scrap": New black steel sheet clippings, shearings, skeleton stamping scrap, side and sheet scrap, hydraulically compressed into charging box size, weighing not less than 75 pounds per cubic foot, must be clean and free from excessive rust, point, or protective coating of any kind. No detinned scrap, electrical sheets, or material over 0.5 per cent of silicon may be included.

* * *

Item 4—"Dealers' No. 1 Bundles": New, black steel sheet clippings, shearings, skeleton stamping scrap, side and end sheet scrap, hydraulically compressed into charging box size, weighing not less than 75 pounds per cubic foot; must be clean and free from excessive rust, paint, or protective coating, of any kind. No detinned scrap, electrical sheets, or material over 0.5 percent silicon may be included.

Item 5—"Dealers' No. 2 Bundles": Body and fender scrap, shearings, skeleton stamping scrap, side and end sheet and tin mill scrap, hydraulically compressed to charging box size. This grade must not include coated stock or foreign material such as galvanized tin, etc.

N.B. Coated bundled scrap is an inferior grade to Item 5 and shall be priced in accordance with the provisions of footnote 6 of paragraph (a) above.

* * *

Item 7—"Machine Shop Turnings": New, clean steel turnings, free from lumps, badly tangled or matted material, cast-iron borings, other metals, excessive oil, dirt, or foreign material of any kind. Badly rusted or corroded stock may not be included. This grade may include high sulphur turnings or shell turnings.

Item 14—"Low Phos. Punchings & Plate Scrap": Punchings from plate and structural-steel scrap, not less than ½ inch diameter, not over 0.04 percent of phosphorus or 0.05 percent of sulphur, not over 0.05 percent of silicon, free from alloys. Must be free from dirt and excessive rust or corrosion. Pieces must be cut 12 inches and under.

* * *

Item 21—"Alloy Free Low Phos. and Sulphur Turnings": New, short, clean steel turnings, free from lumps, badly tangled or matted material, cast-iron borings, other metals, excessive oil, dirt, or foreign material of any kind. Badly rusted or corroded stock must not be included. (Material must be alloy free and 0.045 and under in phosphorus and sulphur).

* * *

Item 23 must be new all black hydraulic compressed sheet bundles 14 x 14 x 20 in. or smaller.

Sec. 1304.14 **Appendix B—Maximum Prices for Iron and Steel Scrap Originating from railroads.** (a) Scrap originating from railroads—operating in a basing point [1] named below (all prices given below are per gross ton). The scrap is at its point of delivery to the consumer when it has arrived for unloading at the plant of the consumer. Where used in this appendix, the term "transportation charges" means the established charges for transporting the scrap to the point of delivery by the mode of transportation employed. In no case shall the maximum delivered price include any charge or cost incurred in unloading the scrap at the point of delivery or in subsequent handling.

((1), (i), and (ii) follow).

(2) Delivered to a consumer's plant located off the line of the railroad from which the scrap originated. Except in the case of shipments of scrap by vessel from Duluth, Minnesota, or Superior, Wisconsin to consumers located in Buffalo, N. Y., Cleveland, Ohio, Elyria, Ohio, Detroit and Saginaw, Michigan, and Chicago, Illinois, the maximum price is either of the following, whichever is greater:

(i) The maximum price established in paragraph (1) above, for scrap delivered to a consumer on the line of the railroad from which the scrap originated, or, if the consumer can establish that he has been served by the same source of scrap in the past, this maximum price plus transportation charges (including off-the-line switching charges), from the railroad's line to the point of delivery, of not more than two dollars per gross ton for Rails for Rerolling, Scrap Axles, and other scrap for rerolling, and of not more than one dollar per gross ton for all other grades of scrap; or

Copyright, February 27, 1942, Research Institute.

(ii) The prices listed in paragraph (1) above, for the Basing Point nearest the consumer's plant.

Where scrap is shipped by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, New York, Elyria, Ohio, Cleveland, Ohio, Detroit and Saginaw, Michigan, and Chicago, Illinois, the maximum delivered price shall be the maximum price established in paragraph (1) above, for scrap delivered to a consumer on the line of the railroad from which the scrap originated, plus transportation charges from the railroad's line to the point of delivery.

* * *

(c) Maximum prices for scrap which cannot be identified as to origin, scrap originating from mines, logging roads, and similar sources, and scrap originating from railroads who do not, within two weeks after the issuance of this schedule, file average price information with the Office of Price Administration. Railroad scrap shipped from a dealer's yard shall be deemed to have lost its railroad origin. In the case of railroad scrap which cannot be identified as to origin, scrap originating from mines, logging roads, and similar sources, and scrap originating from any railroad which does not, within two weeks after the issuance of this schedule file the average price information required under paragraphs (a) or (b) hereof and by sec. 1304.4 of this schedule, the maximum prices shall be as follows:

(1) In the case of scrap rails, scrap rails 3 feet and under, scrap rails 2 feet and under, scrap rails 18 inches and under, and rails for rerolling, the shipping point price shall be computed by application of the provisions of paragraphs (b) and (c) of Appendix A to the prices at the most favorable basing point in Appendix B. In no case need this shipping point price fall below $14.00 for scrap rails, $16.00 for scrap rails 3 feet and under, $16.25 for scrap rails 2 feet and under, $16.50 for scrap rails 18 inches and under, and $15.50 per gross ton for rails for rerolling. The maximum delivered price shall be the shipping point price thus obtained plus transportation charges from the shipping point to the point of delivery.

(2) All other grades of such scrap shall be classified under Appendix A or Appendix C and their maximum prices shall be governed by the provisions of the applicable appendix.

(d) Unprepared scrap. The maximum prices established hereinabove are maximum prices for prepared scrap. For unprepared scrap, maximum prices shall be $2.50 less than the maximum prices for the corresponding grade or grades of prepared scrap.

Where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (c) hereof, until after such preparation has been completed.

Sec. 1304.15 **Appendix C.** Maximum price for cast iron scrap other than railroad scrap (all the prices given below are per gross ton). (a) Maximum price at shipping point. Where shipment of the scrap to the consumer is wholly or partially by rail, or vessel, or combination of rail and vessel, the scrap is at its shipping point when it has been placed f.o.b. railroad car or f.a.s. vessel for shipment to the consumer.

Where shipment of the scrap to the consumer is solely by motor vehicle, the scrap is at its shipping point when it has been loaded on such vehicle.

The shipping point price for grades [1] of cast iron scrap at the following shipping points in the United States shall be:

	Group A	Group B	Group C
1. No. 1 Cupola Cast	$18.00	$19.00	$20.00
2. No. 1 Machinery Cast, Drop Broken 150 lbs. & under	18.00	19.00	20.00
3. Clean Auto Cast	18.00	19.00	20.00
4. Unstripped Motor Blocks	17.50	18.50	19.50
5. Stove Plate	17.00	18.00	19.00
6. Heavy Breakable Cast	15.50	16.50	17.50
7. Charging Box Cast	17.00	18.00	19.00
8. Misc. Malleable	20.00	21.00	22.00

Group A includes the states of Montana, Idaho, Wyoming, Nevada, Utah, Arizona and New Mexico.

Group B includes the states of North Dakota, South Dakota, Nebraska, Colorado, Kansas, Oklahoma, Texas and Florida.

Group C includes all states not named in groups A and B, and includes the switching district of Kansas City, Kans.-Mo.

(b) *Maximum price delivered to a consumer.* Scrap is at its point of delivery to a consumer when it has arrived for unloading at the plant of the consumer. In no case shall any charge or cost incurred in placing the scrap at the shipping point or any charge or cost incurred in unloading the scrap at the point of delivery, or in subsequent handling, be included in the maximum delivered price.

The maximum price at which any grade of cast iron scrap may be delivered to a consumer shall be:

(1) *Where transportation from shipping point to point of delivery is wholly or partially by rail or vessel, or combination of rail and vessel,* the maximum delivered price shall be the shipping point price listed in paragraph (a) of this section, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transportation employed. Where transportation to the point of delivery includes water movement, and tariffs establishing charges at the dock are published, charges incurred at the dock, but not to exceed the published tariffs, may be included in the delivered price. Where no such tariffs are published, actual charges incurred at the dock but not to exceed 75 cents per gross ton, may be included in the delivered price. In either case such charges must be shown as a separate item on the invoice.

(2) *Where transportation from shipping point to point of delivery is solely by motor vehicle.* (i) Where transportation is by *public carrier,* the maximum delivered price shall be the shipping point price listed in paragraph (a) of this section, plus the established public carrier charge for transporting the scrap by motor vehicle from the shipping point to the point of delivery.

[1] Inferior grades shall continue to be purchased at the differential below the corresponding schedule grade which the consumer paid during the period September 1, 1940 to January 31, 1941. In no case shall any grade deemed by buyer, or seller, or both to be superior to any grade listed above be sold at a premium above the corresponding schedule grade except upon prior approval by the Office of Price Administration. No special preparation charges may in any case be added to the prices listed above. Except in the case of items 4 and 7, No Basic Open Hearth (and, in the case of item 8, no consumer other than a malleable foundry) may pay for any grade a price in excess of the price listed for item 6. Mixed shipments of any of the above grades shall be deemed shipments of unprepared scrap and shall be priced in accordance with the provisions of paragraph (d) hereof, unless the consumer has authorized a mixed shipment in his purchase order.

(ii) Where transportation is by *other than public carrier,* the maximum delivered price shall be the shipping point price listed in paragraph (a) of this section, plus the charge for transporting the scrap at the established rail carload rate for the lowest minimum weight, from the rail siding nearest the shipping point to the rail siding nearest the point of delivery, provided however that this charge need never fall below $1.00 per gross ton.

(iii) Where shipment of the scrap to the consumer is solely by motor vehicle, the delivered price shall not exceed the shipping point price unless the consumer shall receive a certificate made out to the Office of Price Administration, Washington, D. C., and signed by the person from whose yard or point of accumulation the scrap was placed at its shipping point and by the person by whom or on behalf of whom the scrap was transported from shipping point to point of delivery. Such certificate shall, among other things, specify the quantity and grade of the scrap, the shipping point, the point of delivery, and the transportation charges from shipping point to point of delivery. The consumer shall acknowledge receipt of the material on the face of the certificate. Certification must be executed on the Office of Price Administration's Form 104:15 (or a copy thereof). Such forms may be secured from the Office of Price Administration, Washington, D. C., or from any Regional Office.

The above mentioned certificate, shall be preserved by the consumer as part of the record-keeping requirements outlined in Sec. 1304.8. A copy shall likewise be preserved by all persons signing the certificate.

(c) Definitions of grades referred to in paragraph (a).

Item 1—No. 1 Cupola Cast: Clean cast-iron scrap, such as columns, pipes, plates and castings of miscellaneous nature, but free from stove plate and agricultural scrap. Must be

cupola size, not over 24 by 30 inches in dimensions, and no piece to weigh over 150 pounds. Must be free from steel and malleable parts and foreign material.

Item 2—No. 1 Machinery Cast, Drop Broken, 150 lbs. and under: Clean machinery cast-iron scrap. May include the cast-iron parts of agricultural machinery. Must be cupola size, not over 24 by 30 inches in dimensions, and no piece to weigh over 150 pounds. Must be free from steel and malleable parts.

Item 3—Clean Auto Cast: Clean, broken auto blocks, free of all steel parts and broken 75 pounds or under.

Item 4—Unstripped Motor Blocks: Motor blocks from which steel or nonferrous fittings have not yet been removed.

Item 5—Stove Plate: Clean cast-iron stove plate. Must be free from malleable and steel parts, window weights, plow points, grates, burnt iron, etc.

Item 6—Heavy Breakable Cast: Clean cast-iron scrap, such as columns, pipes, plates, and castings of miscellaneous nature, weighing over 150 pounds, and which can be broken by an ordinary drop into cupola size.

Item 7—Charging Box Size Cast: Clean cast-iron scrap, such as columns, pipes, plates and castings of miscellaneous nature, but free from stove plate and agricultural scrap. Must be 18 in. x 5 ft. and smaller.

Item 8—Miscellaneous Malleable: Malleable parts of automotive vehicles, agricultural implements, and miscellaneous malleable iron castings. Must be free from cast iron and steel parts and other foreign material.

Amendment No. 13 issued on February 2, 1942, effective February 2; Amendment No. 14 issued on February 9, 1942, effective February 9, 1942.

Vf·258. Form 104:15—required by sellers of cast iron scrap under Price Schedule No. 4.

Certificate for Movement of Scrap Iron Solely by Motor Vehicle

To the Office of Price Administration, Washington, D. C.

The undersigned hereby certifies that he is the duly authorized representative of the

.....
(Name and address of Selling Company)

and that the above-named selling company has this day made the following shipment of cast iron scrap:

(1) .....
(Quantity in Gross Tons)

(2) .....
(Grade)

(3) .....
(Location of Shipping Point)

....
(Date) (Signature)

The undersigned hereby certifies that he is the duly authorized representative of

.....
(Name and address of company delivering the scrap)

and that a transportation charge of ..... per gross ton was made for transporting the above quantity of cast iron scrap by motor vehicle from the above shipping point to .....,
(Location of Point of Delivery)

and that such charge is within the maximum charge permitted under Price Schedule No. 4.

....
(Date) (Signature)

Above quantity and grade of cast iron scrap received this day at above-named point of delivery.

....
(Date) (Signature of Consumer)

Sec. 205 (b) of the Emergency Price Control Act of 1942 provides in part ". . . any person who makes any statement or entry false in any material respect in any document or report required to be kept or filed under section 2 or section 202, shall, upon conviction thereof, be subject to a fine of not more than $5,000, or to imprisonment . . . for not more than one year . . . or to both such fine and imprisonment."

Copyright, February 27, 1942, Research Institute.

Iron Ore—Price Control

Vf·300. Digest of Maximum Price Regulation No. 113. (All cross references below refer to text of Regulation No. 113.)

Subject: Iron ore, all grades, produced in Minnesota, Wisconsin and Michigan.

Effective date: April 10, 1942.

Persons affected: Sellers.

Price Limitations: (1) The maximum is the weighted average spot price, based on Lower Lake ports delivery at which the seller was selling during the shipping season of 1941. Unexpired contracts made during the shipping season of 1941, on which some deliveries had been made during that year must remain in force, but no price increase may be effected through an escalator clause or otherwise. (See Sec. 1369.1)

(2) Iron ore shipped from a mine not operated in 1940 and 1941 must be sold at a price equivalent to $4.45 per gross ton delivered at Lower Lake ports for Mesabi non-Bessemer 51.50% iron, natural content, adjusted in accordance with established differentials which are specifically listed in the regulation. (See Sec. 1369.11(a)(8)) Producers of such ore must file an affidavit with OPA describing the mine and stating that it was not operated in 1940 and 1941 and must obtain OPA permission for the use of the selling price. By May 10 and monthly thereafter such producers must file a report on their production, sales and the identity of their customers. (See Sec. 1369.2)

(3) Persons who did not sell iron ore during the shipping season of 1941 may not exceed the weighted average spot price of a substantially similar seller. Such average prices may be obtained from OPA on application. (See Sec. 1369.3)

Transportation: To determine prices delivered at the mine, deduct Upper Lake rail freight and lake freight from the Lower Lake price. To determine delivered price at Upper Lake ports lake freight must be deducted from Lower Lake prices. (See Sec. 1369.1 and 1369.2(b))

Records and reports: (1) Persons who have sold iron ore during the shipping season of 1941 must submit reports on their sales. (See Sec. 1369.4)

(2) Sellers and buyers must keep for two years detailed records of sales, purchases, stocks on hand and on order as of the close of each month. (See Sec. 1369.7)

Maximum Price Regulation No. 113—Iron Ore Produced in Minnesota, Wisconsin and Michigan

In the judgment of the Price Administrator the prices of market iron ore produced in Minnesota, Wisconsin and Michigan have threatened to rise to an extent and in a manner inconsistent with the purposes of the Emergency Price Control Act of 1942. The Price Administrator has ascertained and given due consideration to the prices of market iron ore prevailing between October 1 and October 15, 1941 and during the shipping season of 1941, and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this Regulation.

In the judgment of the Price Administrator the maximum prices established by this Regulation are and will be generally fair and equitable and will effectuate the purposes of said Act. A statement of the considerations involved in the issuances of this Regulation has been prepared and is issued simultaneously herewith.[1]

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1,[2] issued by the Office of Price Administration, Maximum Price Regulation No. 113 is hereby issued.

Sec. 1369.1 **Maximum Prices for Iron Ore Produced in Minnesota, Wisconsin and Michigan.** On and after April 10, 1942, regardless of any contract, agreement, lease, or other obligation, except as provided in Sections 1369.2 and 1369.3, no person shall sell, offer to sell, deliver, or transfer iron ore at a price higher than the weighted average spot price, based on Lower Lake ports delivery, at which such person made spot sales of the same classification of standard ore or spot sales of the same grade of special ore during the shipping season of 1941: *Provided*, That unexpired contracts for the sale of iron ore made before the close of the shipping season of 1941, and on which deliveries were made during the shipping season of 1941, shall remain in full force and effect, except that no term or condition of such unexpired contract providing for further escalation or increase in price, after the close of the shipping season of 1941, shall be valid or enforceable. When ore is sold for delivery at the mine, Upper Lake rail freight and lake freight at the established rates for the mode of transportation employed are to be deducted from the weighted average spot price for Lower Lake delivery; when ore is sold for delivery at Upper Lake ports, lake freight at established rates is to be deducted from the weighted average spot price for Lower Lake delivery.*

Sec. 1369.2 **Maximum Prices for Tonnage from Mines not operated in 1940 and 1941.**

(a) The maximum price for iron ore shipped from a mine from which no ore was mined and from which no ore was shipped, except from stock-pile, during 1940 and 1941, shall be a price equivalent to $4.45 per gross ton delivered at Lower Lake ports for Mesabi non-Bessemer 51.50% iron, natural content, as adjusted for grade and analysis according to the established differentials, premiums, and penalties incorporated in this Maximum Price Regulation No. 113 in Section 1369.11 (a) (8).

(b) When ore is sold for delivery at the mine, Upper Lake rail freight and lake freight at the established rates for the mode of transportation employed are to be deducted from the Lower Lake price; when ore is sold for delivery at Upper Lake ports, lake freight at the established rates is to be deducted from the Lower Lake price.

(c) Each producer of such ore shall file with the Office of Price Administration an affidavit, accurately describing the mine and the iron ore produced therein, and stating that the mine from which such ore was produced was not operated and that no iron ore was shipped therefrom except from stock-pile during 1940 or 1941. No sale of such ore, at a price above the maximum permitted by this Maximum Price Regulation No. 113, exclusive of this Section, shall be made until the producer receives the written permission of the Office of Price Administration.

(d) Each producer of such iron ore shall, on or before

---

[1] The statement of considerations has been filed with the Division of the Federal Register.
[2] 7 F.R. 971.

Copyright, April 17, 1942, Research Institute.

May 10, 1942, and on or before the 10th day of each month thereafter, file with the Office of Price Administration in affidavit form a statement (1) of the number of gross tons produced during the preceding month; (2) of the number of tons sold during the preceding month, and (3) the names and addresses of the purchasers.*

Sec. 1369.3 **Maximum Prices for New Sellers.** Any person who did not sell iron ore during the shipping season of 1941, may, after the effective date of this Maximum Price Regulation No. 113, sell iron ore at a price not higher than the weighted average spot price of a seller situated in substantially similar circumstances. The weighted average price of such seller may be had on application to the Office of Price Administration.*

Sec. 1369.4 **Filing of Data for Computation of Weighted Average Spot Price.** Every seller of iron ore during the shipping season of 1941 shall file with the Office of Price Administration a statement of the number of gross tons of each classification of standard ore and grade of special ore he sold spot during the shipping season of 1941, the prices received therefor, the places of delivery, the equivalent Lower Lake prices for 51.50% Mesabi non-Bessemer ore and the weighted average spot price of each. Where iron ore was sold for delivery at the mine, Lower Lake delivered prices shall be deemed the f.o.b. mine prices, plus lake freight at 1941 established rates for the mode of transportation employed and Upper Lake rail freight at 1941 published rates; where ore was sold for delivery at Upper Lake ports the Lower Lake delivered prices shall be deemed the Upper Lake prices, plus lake freight at 1941 established rates.*

Sec. 1369.5 **Less than Maximum Prices.** Lower prices than those set forth in Sections 1369.1, 1369.2 and 1369.3 may be charged, demanded, paid or offered.*

Sec. 1369.6 **Evasion.** (See ¶ S·186, II)

Sec. 1369.7 **Records and Reports.** (a) Every person making purchases or sales of iron ore after April 1, 1942, shall keep for inspection by the Office of Price Administration for a period of not less than two years, complete and accurate records of (1) each such purchase or sale, showing the date thereof, the name and address of the buyer or the seller, the price paid or received, and the quantity of each classification and grade purchased or sold, and (2) the quantity of iron ore (i) on hand, and (ii) on order, as of the close of each calendar month.

(b) Persons affected by this Maximum Price Regulation No. 113 shall submit such reports to the Office of Price Administration as it may, from time to time, require.*

Sec. 1369.8 **Enforcement.** (See ¶ S·186, III-b)

Sec. 1369.9 **Petitions for Amendment, Adjustment or Exception.** (See ¶ S·186, IV)

(b) Any person, who is prepared to show that (1) its cost of production of iron ore is above its mine net realization on such product at maximum prices or (2) its mine net realization is inadequate in view of its high operating costs for continued operations at maximum prices, may file a petition for an adjustment or exception of the maximum prices established by Maximum Price Regulation No. 113—Iron Ore Produced in Minnesota, Wisconsin and Michigan. In such cases the petitioner should submit, and the Office of Price Administration will consider, all relevant data, including the relation of the current, requested, and projected realization on the iron ore, and, the necessity, in terms of the war effort, for the granting of such adjustment or exception. The Office of Price Administration may require, in connection with any such petition, full data on costs, profits, and other relevant factors. Petitions for adjustment or exception pursuant to this section shall be filed in the manner stated in Sections 1300.38 through 1300.41 of Procedural Regulation No. 1 issued by the Office of Price Administration.*

Sec. 1369.10 **Geographical Application.** The provision of Maximum Price Regulation No. 113 shall apply only to sales, offers to sell or deliveries of iron ore produced in Minnesota, Wisconsin and Michigan moving within, into or out of one of the forty-eight States of the United States, or the District of Columbia.

Sec. 1369.11 **Definitions.**

(a) When used in this Maximum Price Regulation No. 113, the term:

(1) "person" includes an individual, corporation, partnership, association, or any organized group of persons, or legal successor representative of any of the foregoing, and includes the United States, or any agency thereof, or any other government, or any of its political subdivisions, or any agency of the foregoing;

(2) "iron ore" means all classifications, grades, groups, blends, mixes and other categories of market, merchant, and non-captive iron ore, whether sold under a trade name or otherwise, produced in the States of Minnesota, Wisconsin and Michigan and used in the manufacture of iron or steel;

(3) "Lower Lake ports" means all ports on Lake Michigan, Lake Erie, Lake Huron, Lake Ontario, and their connecting waters, at which iron ore may be unloaded;

(4) "Upper Lake ports" means all ports on Lake Superior and Lake Michigan at which iron ore may be loaded for shipment;

(5) "spot sale" means a sale or contract to sell requiring complete delivery of the iron ore during one shipping season;

(6) "classification of standard ore" means one of the following classes: Mesabi non-Bessemer, Mesabi Bessemer, Old Range non-Bessemer, Old Rrange Bessemer, and High Phosphorus.

(7) "grade of special ore" means one of the following grades: lump, manganiferous, siliceous, or off-grade ores.

(8) "weighted average spot price" means that figure stated in dollars and cents which is computed by dividing the number of dollars received by the seller on his spot sales of each classification of standard iron ore or grade of special iron ore during the 1941 shipping season by the total number of gross tons of such classification or grade sold at spot by said seller during said season. Such prices shall be calculated to the base price at Lower Lake ports for 51.50 percent Mesabi non-Bessemer iron ore according to adjustments hereafter set forth and when same are not applicable, the basis of adjustment as applied to such special grades as were in effect during the 1941 season shall be employed.

Adjustments

(i) The differentials for adjusting prices on a basis of natural iron content to a base price for Mesabi non-Bessemer ore shall be the established differentials, (the unit value is obtained by dividing the applicable maximum price by 51.50) namely:

Class	*Lake Erie Base Price, 51.50% iron*	*Unit Values at Stated Base Prices*
Mesabi non-Bessemer	$4.45	$0.08641
Mesabi Bessemer	4.60	0.08932
Old Range non-Bessemer	4.60	0.08932
Old Range Bessemer	4.75	0.09223
High Phosphorus	4.35	0.08447

(a) The unit values are to be used in computing prices in the established manner, namely:

(1) When less than 51.50% and not less than 50.00% iron: from the base price deduct at the rate of the base unit value for each unit or fraction of a unit.

(2) When less than 50.00% and not less than 49.00% iron: from the price computed for 50.00% iron deduct at the rate of one and a half times the base unit value for the unit or fraction of a unit less than 50.00%.

(3) When less than 49.00% iron: from the price computed for 49.00% iron deduct at the rate of two times the base unit value for each unit or fraction of a unit or iron less than 49.00%.

(4) When over 51.50% iron: to the base price add at the rate of the base unit value for each unit or fraction of a unit of iron more than 51.50%.

(b) "Old Range" includes the Menominee, Marquette, Gogebic and Vermilion ranges. Bessemer ore is ore which includes not more than .045 percent phosphorus, dry. Premiums for phosphorus content less than .045 shall not exceed the standard phosphorus table, reproduced below. High phosphorus ore is Menominee range ore which contains .300 percent or more phosphorus, dry, for 51.50% iron.

Phosphorus Table

Percent of Phos.	*Rate of Progr'n*	*Phos. Values*	*Percent of Phos.*	*Rate of Progr'n*	*Phos. Values*
.045	.0000	.0000	.041	.0095	.0350
.044	.0080	.0080	.040	.0100	.0450
.043	.0085	.0165	.039	.0105	.0555
.042	.0090	.0255	.038	.0110	.0665

(Continued on fololwing page)

Percent of Phos.	*Rate of Progr'n*	*Phos. Values*	*Percent of Phos.*	*Rate of Progr'n*	*Phos. Values*
.037	.0115	.0780	.018	.0210	.3915
.036	.0120	.0900	.017	.0215	.4130
.035	.0125	.1025	.016	.0220	.4350
.034	.0130	.1155	.015	.0225	.4575
.033	.0135	.1290	.014	.0230	.4805
.032	.0140	.1430	.013	.0235	.5040
.031	.0145	.1575	.012	.0240	.5280
.030	.0150	.1725	.011	.0245	.5525
.029	.0155	.1880	.010	.0250	.5775
.028	.0160	.2040	.009	.0255	.6030
.027	.0165	.2205	.008	.0260	.6290
.026	.0170	.2375	.007	.0265	.6555
.025	.0175	.2550	.006	.0270	.6825
.024	.0180	.2730	.005	.0275	.7100
.023	.0185	.2915	.004	.0280	.7380
.022	.0190	.3105	.003	.0285	.7665
.021	.0195	.3300	.002	.0290	.7955
.020	.0200	.3500	.001	.0295	.8250
.019	.0205	.3705	...	...	...

(ii) *Silica.* The same penalties for silica which each seller incurred during the 1941 season shall continue in force.

(iii) *Structure.* The same penalties for fine structure which each seller incurred during the 1941 season shall continue in force.

(iv) *Lump ore.* The same premium for lump ore sold for use in open hearth furnaces which each seller obtained in the 1941 season may be added to the standard base price.*

Sec. 1369.12 **Effective Date.** This Maximum Price Regulation No. 113 (Sections 1369.1 to 1369.12, inclusive) shall become effective April 10, 1942.*

Issued this 7th day of April, 1942.

* Sections 1369.1 to 1369.12, inclusive, issued pursuant to Pub. Law 421, 77th Cong.

Copyright, April 17, 1942, Research Institute.

Iron and Steel Products—Price Control

Vf·500. Digest of Price Schedule No. 6. The iron and steel products schedule has been formally revised, effective February 4, 1942. The main changes consist of clarifications of such provisions as dislocated tonnage and extras. The digest below refers to the text of the price schedule as revised. (All cross references below refer to text of Schedule No. 6, revised.)

Subject: All iron and steel products including seconds and off-grades but excluding pig iron (see Sec. 1306.8(c)).

Effective date: April 17, 1941, revised as of February 4, 1942.

Persons affected: Producers and buyers.

Price limitations: (1) Domestic maximum delivered price shall be the governing basing point price plus applicable extras, transportation charges as customarily computed (see Sec. 1306.10(a)). Where, due to the war program, shipment is made outside of the usual market area, the emergency basing point price may be used but detailed records must be maintained and reported to OPA (see Sec. 1306.10(b)). Basing point prices are defined (see Sec. 1306.8(g)); extras are defined (see Sec. 1306.8(h)) and principal established basing points for selected products are listed (see Sec. 1306.12).

(2) Specialty and other products for which there are no basing point prices must be sold at a price that would have been charged by the seller on April 16, 1941 (see Sec. 1306.10(e)). For all new products or substantial variations, producers must file prices for approval by OPA (see Sec. 1306.10 (h)).

(3) Maximum base price for carbon steel ingots, rerolling quality, standard analysis is $31 per gross ton, f.o.b. mill (see Sec. 1306.10(g)).

(4) All seconds and off-grade products may not be sold above the maximum for prime quality (see Sec. 1306.10(f)).

(5) All customary or general privileges and allowances in effect on April 16, 1941 must be maintained except where reductions were made on that date from published or quoted prices due to competitive conditions (see Sec. 1306.10(i)).

Exports: Export maximum prices shall consist of the governing or emergency basing point price plus applicable export extras and transportation charges as customarily computed. The export base prices of the U. S. Steel Export Company f.a.s. seaboard in effect on April 16, 1941 may be substituted (see Sec. 1306.10(c)). Note that these export base prices are listed in Sec. 1306.13.

Exemptions: (1) Contracts made before April 16, 1941 may be completed up to March 15, 1942 (see Sec. 1306.4).

(2) Contracts for future delivery may be made at the maximum price in effect and approved by OPA at time of shipment (see Sec. 1306.1).

(3) A number of exceptions specifically granted by OPA are listed (see Sec. 1306.14).

Records, reports, etc.: (1) Producers must keep for one year copies of all invoices from January 1, 1941 on (see Sec. 1306.58).

(2) By February 16, 1942 producers are to file all charges, terms and discounts, etc., published or quoted as of April 16, 1941.

observation: Note that in case of applications for modification or exception from the schedule, OPA may require that all records and books of the applicant be made accessible and that a sworn affirmation of compliance with this and all other price schedules be submitted by the applicant.

Vf·501. Price Schedule No. 6—iron and steel products.

Preamble and Sections 1306.1 to 1306.9 inclusive, are hereby renumbered and amended to read as follows:

Price Schedule No. 6 was issued on April 16, 1941, to stem a threatened general increase in steel prices. It successfully achieved its major purpose. Such inequities and hardships as were inevitably involved in an action of this nature have been alleviated in the course of administration. In June 1941, a revision of the Schedule was issued to incorporate certain suggestions received from a cross-section of the industry. In the light of the experience of recent months, however, it is now thought desirable to reissue a revised Price Schedule No. 6 designed to eliminate certain ambiguities and minor errors. This revision in no way affects the major provisions of the original Schedule. It continues to employ the multiple basing point, price leadership, and extra systems which are presently in effect in the industry. As before, this acceptance of these systems merely as a vehicle for determining price should not be regarded as approval thereof, nor should this reservation be regarded as indicating disapproval.

Accordingly, under the authority vested in me by Executive Order No. 8734, it is hereby directed that—

Sec. 1306.1 **Maximum Prices for Iron or Steel Products.** On and after April 17, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, except as provided in Section 1306.4 hereof, no producer shall sell, offer to sell, deliver or transfer any iron or steel product, and no person shall accept delivery of any such product at prices higher than the maximum prices set forth in Appendix A hereof, incorporated herein as Section 1306.10: *Provided*, That with respect to any sale of any such product for future delivery, a contract may provide for the payment of an adjusted price or for the payment of a price in effect at the time of shipment if such contract also expressly states that the price at time of shipment shall not exceed the maximum price established by the Office of Price Administration and in effect at time of shipment.

Provided further, That the provisions of this Schedule shall apply only to sales, offers to sell, deliveries, or transfers of iron or steel products moving within, into or out of

Copyright February 27, 1942, Research Institute.

one of the 48 states of the United States or the District of Columbia. The export provisions of this Schedule shall apply to any sale for delivery outside of the 48 states or the District of Columbia.*

Sec. 1306.2 **Less than Maximum Prices.** Lower prices than those set forth in Appendix A (1306.10) may be charged, demanded, paid or offered.*

Sec. 1306.3 **Evasion.** The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery or transfer of any iron or steel product, alone or in conjunction with any other material, or by way of any commission, service, transportation, or other charge, or by tying-agreement or other trade understanding. Without limiting the generality of the foregoing, the price limitations set forth in this Schedule shall not be evaded by improper classification of any iron or steel product; by improper application of extras; by elimination or reduction of any customary or general privilege as defined in Section 1306.10 (i); by the charging of any premium for prompt or early delivery; by the splitting of orders into small quantities with design to increase prices; or by pricing on an f.o.b. mill basis or on the basis of any other than designated basing points, when either of these practices results in a higher than ceiling delivered price.*

Sec. 1306.4 **Existing Contracts.** A price in excess of the maximums established herein shall not be charged, demanded, paid, or offered in the case of any contract entered into subsequent to April 16, 1941, Contracts entered into on or prior to April 16, 1941, which do not conform to the requirements of this Schedule, may be completed on the contract terms only with respect to shipments made prior to March 15, 1942.*

Sec. 1306.5 **Records and Reports.** (a) Every producer of iron or steel products shall keep for inspection by the Office of Price Administration, for a period of not less than one year, copies of all invoices dated January 1, 1941 or later, relating to sales of such products, including sales to warehousemen, jobbers, brokers, and all other persons purchasing for resale. Every such invoice shall clearly indicate the price actually paid, together with all discounts or other credit terms.

(b) Every producer of iron or steel products shall file with the Office of Price Administration, Washington, D. C., on or before February 16, 1942, all charges, terms and discounts, including base prices published or quoted as of April 16, 1941, and extras which were (1) published and quoted and (2) actually and customarily charged as of April 16, 1941, insofar as such filing was not made prior to the effective date of this Amended Schedule. On and after February 16, 1942, except as provided in Section 1306.10 (b) or as specifically authorized by the Office of Price Administration, no prices, extras, or other charges permitted by this Schedule may be charged which have not been filed with the Office of Price Administration.*

Sec. 1306.6 **Enforcement.** In the event of refusal or failure to abide by the terms and provisions of this Price Schedule, the Office of Price Administration will use its full powers of enforcement to compel remedial action and future compliance by any such violator. These powers may include steps in an appropriate court of law, such administrative remedies as may be proper, as well as the informing of the Congress and the public, and the enlisting of the cooperation of the various state or federal governmental agencies, including the procurement services of the Government. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or of manipulation of the price of iron or steel products, are urged to communicate with the Office of Price Administration.*

Sec. 1306.7 **Modification of the Schedule.** Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom. In considering any such application the Office of Price Administration may require the submission in affidavit form of any further data which it may consider relevant, and it shall upon request have access to the records and books of the applicant. In connection with any such application for relief, a sworn affirmation of compliance with this and all other Price Schedules issued by the Office of Price Administration must be submitted or the absence thereof clearly explained.*

Sec. 1306.8 **Definitions.** When used in this Schedule, the term

(a) "person" means an individual, partnership, association, trust, corporation or other business entity, including executors or administrators, trustees in bankruptcy, receivers, or other court-appointed officials;

(b) "producer" or "producer of iron or steel products" means any person who manufactures or produces any of the iron or steel products as defined in paragraph (c) herein;

(c) "iron or steel products" means and includes all iron or steel ingots, all semi-finished iron or steel products, all finished hot-rolled or cold-rolled iron or steel products, and any iron or steel products which is further finished by galvanizing, plating, coating, drawing, extruding, etc. Without limiting the generality of the foregoing, the term shall include all products listed in Appendix B (1306.11) of this Schedule. The term shall also include all seconds and off-grade iron or steel products: *Provided*, That the term shall not include pig iron.[1]

(d) "governing basing point" means that established basing point the use of which results in the lowest delivered price at the place of delivery.

(e) "emergency basing point" means the established basing point at or nearest the place of production or of origin of shipment.

(f) "usual market area" of any mill with respect to a shipment of any product means that area into which the particular iron or steel product had, in the course of the two years prior to April 16, 1941, been customarily shipped by such mill in quantities comparable to the shipment being made.

(g) "basing point base prices" means:

(1) The prices announced prior to December 31, 1940, or customarily quoted by Carnegie-Illinois Steel Corporation, American Steel & Wire Co., Tennessee Coal, Iron & Railroad Co., National Tube Co., and Columbia Steel Co., as base prices effective during the first quarter of 1941, or in effect on April 16, 1941, and applicable at designated basing points for iron or steel products; or

(2) In the case of an individual producer, the prices announced or customarily quoted by such producer during the first quarter of 1941, or in effect on April 16, 1941, as base prices applicable at designated basing points for iron or steel products: *Provided*, That the base prices under this subparagraph (2) shall not be in excess of the base prices under subparagraph (1), for the purpose of this definition, except to the extent which actually prevailed in the case of such producer, during the entire third quarter of the year 1940; or

(3) Where there are delivered prices applicable at a particular place, including Detroit, eastern Michigan, and the Gulf and Pacific Coast basing points listed in Appendix C (1306.12) and such prices are less than the basing point base prices at the nearest governing basing point plus transportation charges, such prices for the purpose of this Schedule shall be deemed basing point base prices applicable for delivery at such place: (i) *Provided*, That such prices, except in the case of the Gulf and Pacific Coast ports, are not to be used to arrive at delivered prices to other destinations: (ii) *Provided further*, That when delivery is made in any part by water transportation, to these maximum delivered prices may be added any excess in the charges for war risk marine insurance above the charges prevailing prior to January 8, 1942: (iii) *Provided further*, That this paragraph need not apply (*a*) in the case of a shipment to or based upon Gulf or Pacific Coast points, if the customary means of transportation are not used, or (*b*) if the shipment is outside the usual market area, as defined in Section 1306.8 (f), in which cases the shipment may be priced in accordance with paragraph (b) of Appendix A (1306.10).

(h) (1) "extras" means when used with reference to domestic sales (i) the published or quoted extras of the subsidiaries of the U. S. Steel Corporation as of April 16, 1941, or (ii) the published or quoted extras of the individual producer, as of April 16, 1941, being additions to or deductions from the base price to make adjustment for variations in the product sold from the product governed by the base price, which variations might be in size or other physical specifications, chemical analysis, processing or other quality or treatment or in the quantity of the product: *Pro-*

[1] See Price Schedule No. 10.

vided, that (except as permitted under Section 1306.10 (h)) where any extra may have been so published or quoted but had not been charged, in whole or in part, by a producer for a specific application to a particular group or groups of buyers on April 16, 1941, or during the two years prior thereto, before such published extra may be charged or invoiced by such producer after March 15, 1942, to such particular group or groups of buyers such producer must apply for approval to and receive approval from the Office of Price Administration for the charging of such extra for such application to such particular group or groups of buyers.

Any extra approved by the Office of Price Administration under this section may after publication thereof be charged by all producers covered by this Schedule. Without limiting the generality of this proviso, approval may be denied for the charging of any such extra, even if published as of April 16, 1941, to the extent that such extra during the two years prior to April 16, 1941, had been generally ignored in pricing steel for a particular group or groups of buyers so that the failure to charge such extra constituted a customary trade practice in respect to such buyers.

(2) "Extras" when used with reference to export sales means (i) the export extras published or quoted by the United States Steel Export Company, by the Steel Export Association, or by the individual producer, as of April 16, 1941; or (ii) where extras provided under (i) are not applicable, domestic extras as defined in paragraph (h) (1) above.*

Sec. 1306.9 **Effective Date of the Schedule.** This Schedule shall become effective April 17, 1941.*

This amendment No. 2 (Sections 1306.1 to 1306.14 inclusive) shall become effective February 4, 1942.

Issued this 4th day of February, 1942.

LEON HENDERSON, *Administrator.*

Sec. 1306.10 **Appendix A.—Domestic and Export Ceiling Prices for Sales by Producers of Iron and Steel Products.**

(a) The domestic ceiling delivered price for any iron or steel product for which there are basing point base prices shall be the aggregate of:

(1) The basing point base price at the *governing* basing point;

(2) Applicable extras, as defined in and subject to the provisions of Section 1306.8 (h) (i): *Provided,* That in no case shall an extra or extras be charged for any processing, testing, chemical specification, special quality, quantity, etc., unless these services are actually performed and are necessary in order to furnish an iron or steel product of a type and quality required to fabricate successfully the article in question or to meet the specifications of the purchaser.

(3) Transportation charges in effect at the time of shipment from the governing basing point to the place of delivery as customarily computed.

(b) Notwithstanding the provisions of paragraph (a), if in any case in which by reason of unusual circumstances arising directly from the emergency demands of the war program, a shipment of any product is made to a place which is not within the usual market area of the mill from which shipment is made, the emergency basing point may be used and transportation charges may be calculated from the emergency basing point to the place of delivery. Such transportation charges shall in no case exceed the actual cost of transportation on the shipment. All persons selling iron or steel products under this paragraph (b) shall maintain complete and readily available records of all such sales and shall report such sales to the Office of Price Administration as the Office of Price Administration may from time to time require.

(c) The export ceiling price for any iron or steel product for which there are basing point base prices shall be the aggregate of: (1) the basing point base price at the governing basing point or at the emergency basing point; (2) applicable export extras; (3) export transportation charges in effect at the time of shipment from the governing or emergency basing point to the place of delivery, as customarily computed: *Provided,* That the export price at a particular seaboard point may be the aggregate of (i) the export base price of United States Steel Export Company F.A.S. seaboard at such point in effect on April 16, 1941, (whether sales are F.A.S. or F.O.B. mill with freight prepaid to seaboard) (ii) applicable export extras. In the case of C.I.F. sales adjustments for additional transportation and insurance charges may be made. (Such F.A.S. prices for principal products at principal ports are listed in Section 1306.13 Appendix D).

(d) The ceiling delivered price for any iron or steel product for which there are basing point base prices when such products are purchased for account of the Lend-Lease Administration, shall be the aggregate of (1) the domestic basing point base price at the governing basing point, or at the emergency basing point; (2) applicable domestic or export extras; and (3) export transportation charges in effect at the time of shipment from the governing or emergency basing point to the place of delivery, as customarily computed.

(e) For all iron or steel products, such as specialty products, for which there are no basing point base prices and extras or United States Steel Export Company F.A.S. seaboard prices, the ceiling prices shall be the prices and extras which were or would have been charged by the seller on April 16, 1941, (upon the basis of the prices, discounts, charges, or extras then listed or quoted by the seller) for such iron or steel products.

(f) The maximum delivered price for all seconds or off-grade iron or steel products shall not exceed the maximum delivered price for comparable iron or steel products of prime quality.

(g) The maximum base price for carbon steel ingots, rerolling quality, standard analysis, shall be $31.00 per gross ton, f.o.b. mill.

(h) In any case in which the maximum prices set forth in this Schedule are not applicable to a new product or a substantial variation in a product or a new process, the producer shall file wtih the Office of Price Administration his prices or charges for such product or process, and the Office of Price Administration reserves the right to disapprove the charging of such prices or charges.

(i) All customary or general privileges in effect as of April 16, 1941, including, without limiting the generality of the foregoing, delivery and other services of all kinds, credit or other terms of payment, functional discounts and allowances such as those customarily made to jobbers, dealers or other distributors and discounts and allowances customarily made to specific classes of purchasers such as manufacturers of roofing materials, chain link fencing, culverts, etc., shall be continued without diminution or extra charge: *Provided,* That this paragraph shall not apply to any reductions in published or quoted base prices arising from specific competitive situations.

Sec. 1306.11 **Appendix B. Products Included in the Definition of Iron or Steel Products, Section 1306.9 (c).** The following iron and steel products and their alloys (including stainless) are "Iron or Steel Products" as defined in Section 1306.9(c). This list does not limit the generality of the definition of iron and steel products contained in Section 1306.9(c).

Ingots	Slabs	Tube rounds
Blooms	Sheet Bars	Muck bar
Billets	Skelp	Forging rounds

Bars and small shapes, new billet and rail steel—all types and grades including:
- Merchant
- Cold finished—carbon
- Concrete reinforcing
- Alloy-hot rolled
- Alloy-cold finished
- Hoops and baling bands

Tool steel bars—rolled and forged
Plates—all types
Armor plate—forged, rolled and otherwise
Shapes including bearing piles
Sheet piling and accessories
Rails—all types
Track materials including:
- Tie plates
- Tie rods
- Track spikes
- Splice bars (joint bars, angle bars, rail joints, and fish plates)
- Ties

Axles, car wheels, or any combination-rolled or forged
Pipe and tube—plain, threaded and coupled—all types and grades including:
- Conduit
- Spiral welded
- Mechanical tubing
- Boiler, pressure, and heat exchanger tubing

Copyright, February 27, 1942, Research Institute.

Black Plate
Tin plate—all types
Sheets and strip, all types, including plain and corrugated; and roofing and siding of all types; including:
Hot rolled
Cold rolled
Galvanized
Ternes
Enameling
Electrical
All other
Wire and wire rods—all types and grades
Merchant wire products, including:
Nails, staples, and brads

Merchant wire products *(Cont'd)*
Merchant quality wire
Wire fencing, including woven, chain link and lawn
Bale ties and buckle wire
Posts—all types and accessories
Poultry and animal farm netting
Twisted barbless and barbed wire
Wire clothes line
Wire rope, wire strand, and special cords such as aircraft
Woven wire cloth—insect, hardware, and all other
Wire belting
Wire hoops
Communications and power transmission wire
Welded or woven wire fabrics for reinforcing

Sec. 1306.12 **Appendix C.—Principal Established Basing Points for Selected Products Covered by Price Schedule No. 6.**

Axles—Rolled or Forged
Birmingham
Chicago
Pittsburgh

Bale Ties
Birmingham
Chicago
Cleveland
Duluth
Pittsburgh
Pacific Coast Ports

Bars—Alloy Steel, Hot Rolled
Bethlehem
Buffalo
Canton
Chicago
Massillon
Pittsburgh

Bars—Alloy Steel, Cold Finished
Buffalo
Chicago
Cleveland
Gary
Pittsburgh

Bars and Small Shapes—Carbon Steel and Rail Steel, Hot Rolled
Birmingham
Buffalo
Chicago
Cleveland
Duluth (Carbon Steel only)
Gary
Pittsburgh
Gulf Ports
Pacific Coast Ports

Bars—Carbon Steel, Cold Finished
Buffalo
Cleveland
Chicago
Detroit
Gary
Pittsburgh

Bars—Concrete Reinforcing, New Billet and Rail Steel
Birmingham
Buffalo
Chicago
Cleveland
Gary
Pittsburgh
Sparrows Point, Md. (New Billet only)
Youngstown
Gulf Ports:
Beaumont, Texas
Galveston, Texas
Houston, Texas
Orange, Texas
Port Arthur, Texas
Pacific Coast Ports

Bars, Billets, Blooms, Muck Bar—Iron
Berwick, Pa.
Burnham, Pa.
Chicago
Coatesville, Pa.
Columbia, Pa.
Creighton, Pa.
Cuyahoga Falls, Ohio
Dover, N. J.

Bars, Billets, Blooms, Muck Bar—Iron *(Cont'd)*
Jersey City, N. J.
Lebanon, Pa.
Louisville, Ky.
Pittsburgh
Richmond, Va.
Terre Haute, Ind.

Bars and Billets—Tool Steel
Bethlehem
Pittsburgh
Syracuse, N. Y.

Blooms, Billets and Slabs—Alloy Steel
Bethlehem
Buffalo
Canton
Chicago
Massillon, Ohio
Pittsburgh

Blooms, Billets and Slabs—Carbon Steel, Forging and Rerolling
Birmingham
Buffalo
Chicago
Cleveland
Duluth (Billets only)
Gary
Pittsburgh
Sparrows Point, Md. (Rerolling quality)
Youngstown

Fence Posts
Birmingham (Angle line posts only)
Chicago
Cleveland
Pittsburgh
Pacific Coast Ports

Pipe—Wrought Iron
Pittsburgh

Pipe—Steel
Gary
Lorain
Pittsburgh

Ingots—(Forging)
Pittsburgh

Ingots—(Alloy)
Pittsburgh
Bethlehem
Buffalo
Canton
Chicago
Coatesville
Massillon

Plates—Carbon
Birmingham (up to incl. 106" wide)
Chicago
Claymont, Del.
Cleveland, Ohio
Coatesville, Pa.
Gary
Pittsburgh
Sparrows Point, Md.
Youngstown
Gulf Ports
Pacific Coast Ports

Plates—Alloy
Chicago
Coatesville
Pittsburgh
Gulf Ports
Pacific Coast Ports

Plates—Floor
Pittsburgh
Chicago
Gulf Ports
Pacific Coast Ports

Girder Rails and Splice Bars Therefor
Lorain, Ohio
Steelton, Pa.

Light Rails—(60 lb. or less per yd.)
Birmingham
Chicago
Pittsburgh.

Rails and Splice Bars for Rails—(over 60 lb. per yd.)
Gulf Ports:
New Orleans
Mobile, Ala.
Galveston, Tex.
Houston, Tex.
Pacific Coast Ports:
Oakland, Cal.
San Francisco
San Pedro, Cal.
Portland, Ore.
Seattle, Wash.
} On sales to Railroad Cos. 200 g.t. or more for rails, and any quantity for splice bars.

Railroad Tie Plates—for Standard Tee Rails
Birmingham
Buffalo
Chicago
Kansas City, Mo.
Minnequa, Colo.
Pittsburgh
Portsmouth
St. Louis.
Steelton, Pa.
Weirton, W. Va.
Pacific Coast Ports

Railroad Track Spikes
Birmingham
Chicago
Kansas City, Mo.
Lebanon, Pa.
Minnequa, Colo.
Pittsburgh
Portsmouth, Ohio
Richmond, Va.
St. Louis
Weirton
Youngstown
Pacific Coast Ports:
San Francisco
San Pedro, Calif.
Portland, Ore.
Seattle, Wash.

Sheet Bars
Buffalo
Canton
Chicago
Cleveland
Pittsburgh
Sparrows Point, Md.
Youngstown

Sheets—Cold Rolled
Buffalo
Chicago
Cleveland
Gary
Granite City, Ill.
Middletown, Ohio

Sheets—Cold Rolled *(Cont'd)*
Pittsburgh
Youngstown
Pacific Coast Ports
Sheets—Enameling
Pittsburgh
Chicago
Cleveland
Gary
Granite City
Middletown
Youngstown
Pacific Coast Ports
Sheets—Electrical
Pittsburgh
Granite City
Pacific Coast Ports
Sheets—Galvanized
Birmingham
Buffalo
Chicago
Gary
Granite City, Ill.
Middletown, Ohio
Pittsburgh, Pa.
Sparrows Point, Md.
Youngstown, Ohio
Pacific Coast Ports
Sheets—Hot Rolled
Birmingham
Buffalo
Chicago
Cleveland
Gary
Granite City, Ill.
Middletown, Ohio
Pittsburgh
Sparrows Point, Md.
Youngstown, Ohio
Pacific Coast Ports
Sheets—Long Terne
Chicago
Gary
Pittsburgh
Pacific Coast Ports
Skelp—Carbon Steel
Chicago
Coatesville
Pittsburgh, Pa.
Sparrows Point, Md.
Youngstown
Skelp—Charcoal Iron
Coatesville, Pa.
Steel Sheet Piling & Accessories
Buffalo
Chicago
Pittsburgh
Pacific Coast Ports
Strip Steel—Cold Rolled
Chicago
Cleveland
Pittsburgh
Worcester, Mass.
Youngstown
Splice Bars for Light Rails
Pittsburgh
Strip Steel—Commodity
Pittsburgh
Cleveland
Youngstown
Worcester

Strip Steel—Alloy
Pittsburgh
Bethlehem
Buffalo
Canton
Chicago
Massillon
Strip Steel—Hot Rolled
Birmingham
Chicago
Cleveland
Gary
Middletown, Ohio
Pittsburgh
Youngstown
Pacific Coast Ports
Structural Shapes
Bethlehem
Birmingham—Standard Shapes Only
Buffalo
Chicago (except ship sections not rolled)
Gary (except ship sections not rolled)
Pittsburgh
Gulf Ports
Pacific Coast Ports
Tin Mill Black Plate
Chicago
Gary
Granite City, Ill.
Pittsburgh
Pacific Coast Ports
Tin Plate and Terne Plate
Chicago
Gary
Granite City, Ill.
Pittsburgh
Tubing—Mechanical
Canton
Detroit
Milwaukee
Shelby
Pittsburgh
Tubing—Pressure
Pittsburgh
Twisted Barbless & Barbed Wire
Birmingham
Chicago
Cleveland
Duluth
Pittsburgh
Pacific Coast Ports
Tube Rounds
Chicago
Cleveland
Pittsburgh
Wire Rods
Birmingham
Chicago
Cleveland
Pittsburgh
Worcester, Mass.
Gulf Ports:
Galveston, Tex.
Pacific Coast Ports:
Los Angeles
San Francisco
Portland, Ore.
Seattle, Wash.

Wire—Drawn (Includes Manufacturer's and Merchant Quality)
Birmingham
Chicago
Cleveland
Glassport, Pa. (Hot copper covered steel only)
Duluth
Pittsburgh
Worcester, Mass. (Manufacturer's wire only)
Pacific Coast Ports
Wire—Spring
Chicago
Cleveland
Pittsburgh
Worcester, Mass.
Pacific Coast Ports
Wire—Telephone
Cleveland
Muncie, Ind.
Pittsburgh
Sparrows Point, Md.
Trenton, N. J.
Waukegan, Ill.
Worcester, Mass.
Wire Fencing (except chain link)
Birmingham
Chicago
Cleveland
Duluth
Pittsburgh
Pacific Coast Ports
Wire Hoops
Chicago
Pittsburgh
Wire Nails and Staples
Birmingham
Chicago
Cleveland
Duluth
Pittsburgh
Pacific Coast Ports

Pacific Coast Ports, except where otherwise enumerated are as follows:
Bellingham, Wash.
Everett, Wash.
Long Beach, Calif.
Los Angeles, Calif.
Oakland, Calif.
Portland, Ore.
Sacramento, Calif.
San Diego, Calif.
San Francisco, Calif.
San Pedro, Calif.
Seattle, Wash.
Stockton, Calif.
Tacoma, Wash.
Wilmington, Calif.

Gulf Ports, except where otherwise enumerated are as follows:
Beaumont, Texas
Galveston, Texas
Houston, Texas
New Orleans, La.
Orange, Texas
Port Arthur, Texas *

Sec. 1306.13 **Appendix D. Export base prices of United States Export Company for principal products, F.A.S. principal ports, in effect on April 16, 1941:**

Per Gross Ton

	Boston, New York, Philadelphia, Baltimore, Norfolk	*Charleston, Savannah, New Orleans, Mobile*	*Galveston, Houston*	*San Francisco, Seattle, Portland, Los Angeles (San Pedro)*
Ingots	$37.00	$37.00	$39.49	$46.60
Blooms—billets and slabs, sheet bars	42.00	42.00	44.49	51.60
Forging billets	48.00	48.00	50.49	57.60
Wire rods in coils	52.00	52.00	54.49	61.60
Light rails (60 pounds and under)	52.50	52.50	58.01	62.21
Heavy rails (over 60 pounds)	54.15	54.15	59.66	63.86
Girder rails	55.00	58.55	60.25	64.27

Copyright, February 27, 1942, Research Institute.

Per 100 Pounds

	Boston, New York, Philadelphia, Baltimore, Norfolk	*Charleston, Savannah, New Orleans, Mobile*	*Galveston, Houston*	*San Francisco, Seattle, Portland, Los Angeles (San Pedro)*
Angle splice bars for heavy rails	$3.52	$3.52	$3.62½	$3.92
Tie plates	2.92	2.92	3.04½	3.32
Track spikes	3.25	3.25	3.37½	3.65
Axles	3.38	3.58	3.66	3.78
Skelp	2.20	2.40	2.48	2.60
Piling	2.60	2.80	2.88	3.00
Plates (carbon steel)	2.45	2.45	2.57½	2.85
Structural shapes (standard)	2.45	2.45	2.57½	2.85
Merchant bars and bar mill shapes	2.45	2.45	2.57½	2.85
Concrete bars (new billet)	2.45	2.45	2.57½	2.85
Cold finished carbon steel bars	2.88	3.08	3.16	3.28
Hot rolled alloy bars	2.79½	3.04	3.04	3.14
Cold finished alloy bars	3.56	3.69	3.69	3.79
Hot rolled carbon tool steel bars (Tennessee special)	7.57	7.57	8.37	7.50
Black annealed wire	3.10	3.30	3.38	3.50
Galvanized plain wire	3.60	3.80	3.88	4.00
Galvanized barb wire	3.65	3.85	3.93½	4.07½
Bright nail wire	2.80	3.00	3.08	3.20
Wire nails	2.85	2.85	2.98½	3.29
Galvanized staples (including $1.17 extra for galvanized)	3.90	4.12	4.21	4.34
Bright staples (including 72 cents extra for bright)	3.50	3.72	3.81	3.94

Per Base Box

Tin plate 14" x 20" 107 pounds—112 sheets, wooden boxes—wire strapped	$5.35	$5.35	$5.49	$5.80

Sec. 1306.14 **Appendix E. Exceptions to Price Schedule No. 6.**

The following persons have been granted an exception under the terms of Price Schedule No. 6, which exception has been defined and limited in certain letters. All action taken in reliance upon the terms of any exception shall be at the risk of the person acting until and unless official notification has been received by such persons pursuant to such application. Persons interested may secure the terms of such exception on application to the Office of Price Administration.

Name	*Brief Description of Relief Granted*	*Date Granted*
W. Ames & Company Jersey City, N. J.	A. Plain carbon steel bars (merchant and reinforcing) : 10 tons or over—$2.85 cwt. f.o.b. mill B. Bar size structural grade steel angles: 10 tons or over—$3.10 cwt. f.o.b. mill C. Railroad spikes: 200 kegs or more—to domestic railroad companies—$3.25 cwt. f.o.b. mill or warehouse; 200 kegs or more—to other consumers—$3.45 cwt. f.o.b. mill or warehouse. Appropriate extras for lesser quantities	July 8, 1941
Andrews Steel Company Newport, Kentucky	A. Carbon forging billets—$50.00 gross ton at established basing points B. Carbon steel slabs—$41.00 per gross ton at established basing points C. Galvanized sheets—$3.75 cwt., at established basing points D. Hot rolled sheets—shipments into Detroit and Detroit area may be based on Middletown, Ohio (nearest basing point)	July 28, 1941
Central Iron and Steel Company Harrisburg, Pa.	A. Carbon steel plates—$2.35 cwt., at established basing points, retroactive to April 17, 1941	July 22, 1941
Eckels-Nye Steel Corporation Syracuse, N. Y.	A. Rail steel merchant bars—$2.50 cwt., at established basing points	Sept. 17, 1941
Empire Sheet and Tin Plate Co. Mansfield, Ohio	A. Carbon steel ingots—$33.00 per gross ton, f.o.b. mill B. Carbon steel sheet bars—$39.00 per gross ton, f.o.b. mill	Jan. 9, 1942
Gilbert & Bennet Mfg. Company Georgetown, Conn.	A. Screen wire cloth (black painted, and electro-galvanized) : To Jobbers' stocks C/L list less 58.00%; to Jobbers' stocks, LC/L list less 56.75%; to Jobbers' customers list less 55.50% B. Poultry netting, light grades: Galvanized before weaving—To Jobbers' stocks C/L, list less 41%; to Jobbers' stocks LC/L list less 40%; to Jobbers' customers list less 40% C. Heavy square mesh cloth—Quantities to 199 lineal feet, list less 16%; 200 or more lineal feet, list less 20% D. Standard galvanized hardware cloth, per 100 square feet—$3.20	Jan. 12, 1942
Granite City Steel Company Granite City, Ill.	A. Ship plates—$2.25 cwt. f.o.b. mill	June 5, 1941
Phoenix Iron Co. Phoenixville, Pa.	A. Carbon steel shapes—$2.30 cwt., at established basing points B. Merchant bars—$2.35 cwt., at established basing points (both retroactive to April 17, 1941)	May 1, 1941
Sweet's Steel Co. Williamsport, Pa.	A. Rail steel concrete reinforcing and merchant bars—$2.33 cwt. f.o.b. mill B. Rails (rail steel)—$50.00 per gross ton f.o.b. mill (both retroactive to April 17, 1941)	Aug. 29, 1941
Wheeling Steel Corp. Wheeling, W. Va.	A. 2" square base grade rerolling billets, standard lengths, 21,000 tons allocated under Lend-Lease program during first quarter of 1942—$37.00 per gross ton, f.o.b. Portsmouth, Ohio	Feb. 2, 1942

* Sections 1306.1 to 1306.14, inclusive, issued pursuant to authority contained in Executive Orders Nos. 8734, 8875, 6 F. R. 1917, 4483.

Vf·502. Amendment No. 3 adds export base prices to Price Schedule No. 6. By a formal amendment a number of additional export base prices of the U. S. Export Company for principal products, f.a.s. principal ports as of April 16, 1941 were added.

Amendment No. 3 to Price Schedule No. 6—Iron and Steel Products.

Section 1306.13 is amended by adding the following as set forth below:

Sec. 1306.13 **Appendix D, export base prices of United States Export Company for principal products, F. A. S. principal ports in effect on April 16, 1941.**

Per 100 Pounds

Products	*Boston, New York, Philadelphia, Baltimore, Norfolk*	*Charleston, Savannah, New Orleans, Mobile*	*Galveston, Houston*	*San Francisco, Seattle, Portland, Los Angeles (San Pedro)*
Hot rolled sheets, 24 B.G. plain bundles (includes 90 cents for gage)	$3.25	$3.25	$3.37½	$3.65
10 U.S.G. plain bundles	2.35	2.35	2.47½	2.75
Cold rolled sheets, 17 U.S.G. in 2-ton metal crates (includes 15 cents for packing)	3.40	3.60	3.68	3.80
Galvanized sheets, 24 B.G. in plain bundles	3.90	3.90	4.02½	4.30
Hot rolled strip	2.40	2.60	2.68	2.80
Cold rolled strip	3.10	3.30	3.38	3.50
	Percent			
American standard pipe, black, T. & C. 1″ to 3″	67	65	64.2	63
American standard pipe, galvanized, T. & C. 1″ to 3″	56.2	54.2	53.4	52.2
American extra strong pipe, black, plain ends, 1″ to 3″	65.5	63.5	62.7	61.5
American extra strong pipe, galvanized, plain ends, 1″ to 3″	55.7	53.7	52.9	51.7
American double extra strong pipe, black, plain ends, 2″ to 2½″	53.8	51.8	51.0	49.8
American double extra strong pipe, galvanized, plain ends, 2″ to 2½″	43	41	40.2	39
English gas tubes, black, T. & C. ⅜″ to 6″	67 [1]	65¼ [1]	64.5 [1]	63.5 [1]
	65 [2]	63¼ [2]	62.5 [2]	61.5 [2]
English gas tubes, galvanized, T. & C. ⅜″ to 6″	59 [1]	57¼ [1]	56.5 [1]	55.5 [1]
	57 [2]	55¼ [2]	54.5 [2]	53.5 [2]
English steam tubes, painted, T. & C. ⅜″ to 6″	62 [1]	60¼ [1]	59½ [1]	58.5 [1]
	57 [2]	55¼ [2]	54½ [2]	53.5 [2]
English steam tubes, galvanized, T. & C. ⅜″ to 6″	50 [1]	48¼ [1]	47½ [1]	46.5 [1]
	49 [2]	47¼ [2]	46½ [2]	45.5 [2]

Discounts:

American standard pipe—off American list No. 6.

English gas tubes—off English list No. 3, converted 2 cents to the penny.

[1] South American markets.

[2] Other markets.

This amendment No. 3 shall become effective February 9, 1942. Issued this 9th day of February, 1942.

LEON HENDERSON, *Administrator.*

Copyright, February 27, 1942, Research Institute.

Resale of Iron and Steel Products—Price Control

Vf·600. Digest of Price Schedule No. 49—resale of iron and steel products.

Subject: Resale of all iron and steel products excluding pig iron but including seconds, wasters and all other off-grade and used products.

Effective date: December 15, 1941. Amended effective February 2, 1942.

Persons affected: Sellers and buyers.

Price limitations: Maximum prices, delivered, are established at April 16, 1941 levels. The prices to be used by a reseller are the lower of (1) the prices charged by him on April 16, 1941 or (2) the price lists in effect on April 16, 1941, for heavy lined and merchant wire products of leading distributors in 23 cities in metropolitan free delivery zones. Extras and deductions which were in effect on April 16 are to be maintained. Special provisions apply to Pacific Coast and export sales and to specific products such as nails, smooth wire, pipe and tubing.

Exceptions: Sales by retail dealers of nails in quantities of 25 kegs or less, of merchant wire products in quantities of 2,500 pounds or less, of five standard lengths of pipe are not covered by the Schedule.

Price modifications: (1) A seller who is located in one of the listed cities or areas to which listed prices are applicable and who has been charging lower than listed prices on April 16, 1941 may apply to OPA for permission to raise his prices to those of the price list.

(2) Sellers in unlisted cities may make application to OPA that their city be included among the listed cities and that their prices be put into effect as the maximum.

Exports: Export agents who do not hold title to goods or assume risk of loss may add 5% and export merchants who buy for their own account may add 10% to the domestic maximum price.

Records, reports, etc. (1) Sellers and buyers to keep for one year detailed records of each purchase or sale and the inventory on hand and on order classified in a manner similar to that of Form PD-83.

(2) On or before December 3, 1941, sellers with 1941 gross sales of $100,000 or more must file with OPA prices in effect on April 16, 1941 with all supporting data; individual lists for each warehouse or branch. Persons who did not have prices on April 16, 1941 must file a list of inventory as of Dec. 1, 1941 and proposed prices.

(3) Pacific Coast and Gulf Port sellers must file with OPA Form 149:1 and 149:2, respectively.

(4) Persons making any sales of 40,000 pounds or more to one consumer in a month must file with OPA on or before the 15th of the following month in a sworn statement names and addresses of the buyers, products and quantities sold, and price.

Vf·601. Price Schedule No. 49—resale of iron and steel products. The following is the full text of Price Schedule No. 49 for resale of iron and steel products, as last amended February 2, 1942.

Price Schedule No. 49—Resale of Iron or Steel Products

Prices in effect on April 16, 1941, have been specified as maximum prices for sale of iron or steel products by producers, under Price Schedule No. 6, as revised on June 21, 1941[1]. A large proportion of the iron or steel products used in industry passes through the hands of jobbers, dealers, and distributors of various kinds. In some cases, these middlemen have charged exorbitant and unwarranted prices. It is therefore essential that the price charged by these persons, as well as the price charged by the producer, be kept within reasonable limits. To protect both the consumer and the jobbers, dealers, and other distributors who have maintained a reasonable price level, it has been determined by the Office of Price Administration that a Price Schedule covering all resale of iron or steel products should be issued. April 16, 1941, has been selected as the base date, since the maximum price at which the reseller may purchase from a producer has been established as of that date. Pending further investigation of transportation problems, maximum prices for Pacific Coast and Gulf Port prices are being specified. Accordingly, under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

Sec. 1306.151 **Maximum Prices for the resale of iron or steel products.** On and after December 15, 1941; regardless of the terms of any contract of sale or purchase, or other commitment, no seller as defined in Section 1306.157(b) of this Schedule shall sell, offer to sell, deliver or transfer iron or steel products, and no person shall buy, offer to buy, or accept delivery of iron or steel products at prices higher than the maximum prices set forth in Appendix A, incorporated herein as Section 1306.159.*

Provided, That the provisions of this Schedule shall apply only to sales, offers to sell, deliveries, or transfers of iron or steel products moving within, into or out of one of the 48 states of the United States or the District of Columbia; *Provided further,* That the export provisions of this Schedule shall apply to any sale for delivery outside the 48 states or the District of Columbia.*

Sec. 1306.152 **Less than maximum prices.** Lower prices than those set forth in Appendix A may be charged, demanded, paid or offered.*

Sec. 1306.153 **Evasion.** The price limitations set forth in this Schedule shall not be evaded either by direct or indirect methods in connection with a purchase, sale, barter, delivery or transfer of iron or steel products alone or in conjunction with any other material, or by way of any commission, service, transportation, or other charge, or by way of discount, premium or other privilege, or by way of tying agreement or other trade understanding, or otherwise.*

Sec. 1306.154 **Records and reports.**

(a) *Records of sales, inventory and orders.* Every person making sales, or purchases for resale, of iron or steel products, in quantities dealt in, or on which prices are quoted by established jobbers, dealers, or distributors, after December 15, 1941, shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of (1) each such purchase or sale, showing the date thereof, the name and address of the buyer or the seller, the price paid on each purchase for resale and received on each resale, the quality and grade,

Copyright, February 27, 1942, Research Institute.

the sizes, and the quantity of each product purchased or sold, and (2) the tonnage of iron or steel products, on hand and on order, classified by product, in a manner similar to that of Form PD-83 as issued by the War Production Board.

A copy of Form PD-83 may be had upon request by applying to the War Production Board.

(b) *Filing prices.* On or before December 31, 1941, every seller of iron or steel products having annual gross sales of $100,000 or more even though iron and steel products comprise only a part of the total, during the year ending December 31, 1941, shall file in duplicate, in affidavit form, with the Office of Price Administration, Washington, D. C., his prices circulated to his salesmen or customers in effect on April 16, 1941, or customarily quoted and charged on that date, including extras lists, deduction lists, charges, and discounts. Special prices or discounts given to any customers and classes of customers as of April 16, 1941, shall be filed. This includes prices or discounts to jobbers, dealers and large industrial or other special buyers. Every seller shall file individual price sheets for each warehouse or branch, showing city and country prices, wherever such exist; and he shall indicate the area or cities to which such prices apply. In the event that any prices so filed exceed the maximum prices established by this Schedule, the seller shall, after the effective date of this Schedule, eliminate this excess and charge a maximum price not in excess of the maximum prices established herein. Every seller shall state with regard to his April 16, 1941 price for each product, the range of sizes, types or cross-section covered by each price submitted; trade names, if any, and prices charged; prices for each base quantity; products sold in various quantity brackets, and prices for each bracket. If the person is a seller without prices as of April 16, 1941, (a) because of establishment of business after April 16, 1941, or (b) because of introduction of a product not handled on or prior to April 16, 1941, he shall file a list of his inventory as of December 1, 1941, and prices he proposes to charge for such products. These prices shall not be in excess of the maximum as established by this Schedule. Additional filing requirements for Pacific Coast and Gulf Port sellers, and for carload business, are included in other sections of this Schedule. Persons affected by this Schedule shall submit such other reports to the Office of Price Administration as it may from time to time require.*

Sec. 1306.155 **Enforcement.** In the event of refusal or failure to abide by the price limitations, record requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will make every effort to assure (a) that the Congress and the public are fully informed thereof; (b) that the powers of Government, both State and Federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities, failures to comply with this Schedule which may be regarded as grounds for the revocation of licenses and permits; and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of resale prices of iron or steel products, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

Sec. 1306.156 **Modification of the Schedule.** Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: Provided, that no applications will be considered unless filed by persons complying with this Schedule and other Schedules issued by the Office of Price Administration. Such applications shall be submitted in a separate letter captioned "Application for Relief from Price Schedule No. 49, Resale of Iron and Steel Products," and shall not be contained in any filing of information or prices required to be filed under this Schedule.*

Sec. 1306.157 **Definitions.** When used in this Schedule, the term

(a) "person" means an individual, partnership, association, trust, corporation or other business entity, including trustees in bankruptcy and receivers;

(b) "seller" means any person who resells iron and steel products to any other person, whether as distributor, jobber, dealer, agent, broker, merchant, exporter, including any person who acts as an intermediary in any connection with such resale, or otherwise: Provided, That:

(i) The term shall not include producers of iron or steel products whose activities are covered by Price Schedule No. 6—Iron and Steel Products, except in so far as such producers operate warehouses, branches, or affiliates engaged in the redistribution of iron or steel products. The operation by producers of mill depots for the purpose of distributing iron or steel products manufactured by such producers shall not be considered a resale within the terms of this Schedule, but is a sale covered by Price Schedule No. 6.

(ii) "Seller" as defined herein shall not include retail merchants who sell iron or steel products in quantities smaller than those dealt in or on which prices are quoted by established jobbers, dealers, or distributors.

(c) "iron or steel product" includes all iron or steel ingots, all semi-finished iron or steel products, all finished hot rolled or cold rolled iron or steel products, and all iron or steel products further finished (by galvanizing, enameling, plating, coating, drawing, extruding, or otherwise) in a manner commonly performed at steel works or rolling mills, and shall include all products listed in the table of Capacity and Production for Sale contained in the Annual Statistical Report of the American Iron and Steel Institute for 1939, pages 42-43: Provided, That the term shall not include pig iron. Any iron and steel products as defined above subject to the operations of pickling, cutting, by machine or flame, bending and threading of pipe, shall be considered a part of this definition of iron or steel products. This definition includes primes, seconds, wasters and all other off-grade products including used products. The term "iron or steel products" includes concrete reinforcing bars, and structural steel shapes, but not the fabrication thereof except as this Schedule is otherwise amended;

(d) "maximum delivered price" means the combination of all factors entering into the final charge to the customer, including base prices, transportation and delivery charges and all extras, deductions and other terms of sale;

(e) "published listed price" or "published list price" means a price for resale of iron or steel products publicly circulated in the trade, and is confined, except as stated below in Sec. 1306.159 (m) (3), to price lists issued for the cities named and the persons stated in Appendix B, incorporated herein as Sec. 1306.160. If not otherwise stated, the term is meant to apply only to price lists effective as of April 16, 1941. In any *"Listed City"* in which there are several such published listed prices for any product or quantity, the highest of such prices shall be the published list price herein referred to;

(f) "dislocated tonnage" means any shipment to which the terms of Sec. 1306.159 (f) of this Schedule are applicable;

(g) "governing basing point" means the basing point of producers of iron or steel products included in Price Schedule No. 6, which results in the lowest delivered price to the mill customer;

(h) "mill base price" means the price at the basing point which governs a sale from a mill by producers of iron or steel products included in Price Schedule No. 6;

(i) "Listed City" means any city named in Appendix B;

(j) "Unlisted City" means any city or place other than those in Appendix B;

(k) "lowest combination" means the lowest delivered price that is the result of a combination of (1) country price of any seller located in any *Listed City* and (2) less-than-carload freight from such *Listed City*;

(l) "freight as customarily charged" means that type of freight, either all-rail, rail and water, or all water which is customarily used and which may be used to arrive most economically at the place of delivery.

(m) "Mixed carload" means a bona fide "mixed carload" containing not less than three items of steel of substantial quantity and of different type, such as strip, plates, sheets, bars. (Hot Rolled and Cold Finished bars or Hot Rolled and Cold Rolled sheets shall be considered as examples of different types of steel products in this definition.)

(n) "Pacific Coast" means any place within the States of California, Oregon, or Washington;

(o) "Gulf Ports" means all cities and other places located on or near the Gulf of Mexico in the States of Texas, Louisiana, Mississippi, Alabama, and Florida.

(p) "Export agent" means any exporter who acts directly for a foreign purchaser in a sale between any seller in the United States and such foreign purchaser, and who does not (1) take title to the goods being exported, or (2) assume a risk of loss because of demurrage, failure to secure shipping space, or otherwise.

(q) "Export merchant" means any exporter who acts as a principal, directly to a foreign customer, and (1) buys for his own account, and (2) takes title to the goods directly or through an agent and (3) assumes all risks of loss because of demurrage, failure to secure shipping space, damage to the merchandise, or otherwise.*

Sec. 1306.158 **Effective Date of the Schedule.** This Schedule shall become effective on December 15, 1941.*

Issued this 13th day of December, 1941.

LEON HENDERSON, *Administrator.*

Sec. 1306.159 **Appendix A—Domestic and Export Maximum Prices for Iron and Steel Products.**

(a) *Maximum Delivered Prices in Any City (Whether Listed or Unlisted) or Free Delivery Area in Which the Seller is Located.*

(1) In any city or free delivery area in which the seller is located, the maximum delivered price for any iron or steel products shall be the delivered price which was or would have been charged by the seller on April 16, 1941. It is provided however:

(i) That in cities designated in Appendix B as *Listed Cities,* the maximum delivered price shall not exceed the published listed prices, as set out in Appendix B, in effect as of April 16, 1941, for that city or free delivery area.

(ii) That in *Unlisted Cities,* the maximum delivered price shall not exceed the lowest delivered price that is the result of a combination of (*a*) country prices of any seller named in Appendix B herein [or as may hereinafter be issued under *"General Provisions,"* Sec. 1306.159 (m) (3)] located in any *Listed City,* and (*b*) less-than-carload freight from such *Listed City.*

(2) Extras which were customarily charged as of April 16, 1941, may be computed in the maximum delivered price: *Provided,* That such extras do not exceed those established and charged on April 16, 1941, by sellers listed in Appendix B of this Schedule. Extras listed but not customarily charged as of April 16, 1941, shall not be charged.

Deductions customarily granted as of April 16, 1941, shall be deducted in computing the maximum delivered price.

(3) Persons not having prices shall compute maximum delivered prices in accordance with paragraph (c) of this section.

(b) *Maximum Delivered Prices in Places Other Than the City or Free Delivery Area in Which the Seller is Located.*

(1) In any place other than a city or free delivery area in which the seller is located, the maximum delivered price for that seller shall be the lowest delivered price that is the result of a combination of (i) country price of any seller named in Appendix B herein [or as may hereinafter be issued under *"General Provisions,"* Sec. 1306.159 (m) (3)] located in any *Listed City* and (ii) less-than-carload freight from such *Listed City.* It is provided, however, that in no case shall the maximum delivered price on a sale for delivery into a *Listed City* exceed published listed prices, extras and deductions, as set out in Appendix B, in effect as of April 16, 1941, for that city or free delivery area.

(c) *Maximum delivered prices for persons without prices.*

(1) In the city or free delivery area in which are located certain persons without prices as of April 16, 1941, because of (a) the establishment of their business after that date, or (b) the introduction of a product not handled on or prior to April 16, 1941, the maximum delivered price for persons having no prices for the product or quantity being sold shall be:

(i) *In Listed Cities,* the maximum delivered price shall not exceed the published listed prices, as set out in Appendix B [or, as may hereinafter be issued under *"General Provisions,"* Section 1306.159(m) (3)] for that city or free delivery area.

(ii) *In Unlisted Cities,* the maximum delivered price shall not exceed the lowest delivered price that is the result of a combination of (a) country prices of any seller named in Appendix B herein [or as may hereinafter be issued under *"General Provisions,"* Section 1306.159(m) (3)] located in any *Listed City* and (b) less-than-carload freight from such *Listed City.*

(2) If a person not having prices sells for delivery into a place other than the city or free delivery area in which he is located, the maximum delivered price shall be set in conformance with paragraph (b) of this section.

(3) Any person who for any reason is unable to set a maximum delivered price in accordance with the terms of this Schedule may apply to the Office of Price Administration to set maximum delivered prices for the sale or series of sales in question.

(d) *Modification of certain April 16, 1941 prices.*

(1) Any seller located in a *Listed City* or free delivery area to which published listed prices are applicable, if his prices as of April 16, 1941 were lower than such published listed prices, may make application to the Office of Price Administration to increase the maximum delivered price applicable to him in order to correspond to the published listed prices applicable to such *Listed City* or free delivery area. Such application shall be in affidavit form and shall state that the services rendered by such seller are comparable to services rendered by the sellers named in Appendix B for such city, in such matters as delivery service, performance of cutting, shearing, bending, threading and similar operations, carrying of a full line of products, of comparable type, grade and quality, etc.

(e) *Maximum prices for Exports of Iron or Steel Products.*

(1) The maximum prices which may be charged by any person for iron or steel products sold for export to any place outside the territorial limits of the United States, shall be the maximum prices, as established by this Schedule (Sections 1306.151 to 1306.161 inclusive) and Price Schedule No. 6, f.o.b. inland carrier or warehouse at port of exportation: *Provided,*

(i) That if such a sale is made by an export agent, as defined hereinabove, an amount may be added not in excess of 5% of the maximum domestic price as established in this Schedule.

(ii) That if such a sale is made by an export merchant, as defined hereinabove, an amount may be added not in excess of 10% of the maximum domestic price as established in this Schedule.

(iii) Other export merchants who customarily incur additional foreign costs or expenses in excess of those borne by the export merchant, as defined hereinabove, may apply to the Office of Price Administration for exception, stating reasons why an additional amount should be allowed. The application shall be in the form of an application for relief.

(2) The maximum export price as set forth above in subdivision (ii) shall include and shall not be increased by reason of any fees, commissions, or expenses, including commissions paid to other intermediaries, whether domestic or foreign, demurrage, storage charges, inspection fees, interest or financing charges, or other expenses connected with the transaction. The maximum price as so computed shall not be increased in any c.i.f. price except to the extent of insurance, ocean freight, and consular charges.

(3) The above margins over domestic maximum prices may be taken only by an export agent or export merchant, and not by both, and shall not be shared by any such person with any domestic seller, broker, agent, or other intermediary.

(f) *Maximum Delivered Prices for Dislocated Tonnage.* In case of shipments by a seller of 150 miles or more, and if shipment is through or into any *Listed City,* or substantially in the same direction and past any *Listed City,* or in case of any shipments by a seller of not less than 350 miles, the maximum delivered price for any iron or steel product so shipped shall be the country price of the seller plus less-than-carload freight as customarily charged less 15¢ per cwt.: *Provided,* That such deduction of 15¢, or any part thereof, does not bring the delivered price on such dislocated tonnage below the maximum delivered price as established in paragraph (b) of this section.

(g) *Maximum Delivered Prices on the Pacific Coast and for Gulf Ports; Special Filing Provisions.*

(1) Maximum delivered prices on the Pacific Coast shall be as provided in paragraphs (a), (b), (c), and (j) of this Schedule: *Provided,* That:

(i) On the following products and no others, the sum of 35¢ per cwt. may be added to the maximum delivered price

Copyright, February 27, 1942, Research Institute.

as established in this Schedule: plates, universal and sheared, carbon; hot rolled sheets, carbon; hot rolled bars and small shapes, carbon; galvanized, galvannealed, enameling, and galvanized corrugated sheets; floor plates; hot rolled strip, carbon; and structural shapes, carbon. (This 35¢ per cwt. shall not be added to the price of concrete reinforcing bars.)

(ii) Pending analysis of data to be submitted under provisions of this Schedule, on standard pipe, seamless pipe, water well casing, large O. D. pipe, line pipe, wrought iron pipe, oil country tubular goods, and boiler and other pressure tubes in all cases where the rail and water rates to Pacific Coast ports are referred to in Section 1306.159(i) (1, 2, 3, 4, and 5) below these shall be disregarded and the maximum delivered prices on sales of above products at Pacific Coast points shall be the lowest prices resulting from that combination of base prices in effect April 16, 1941, and published *all-rail* carload freight from that mill basing point which gives the lowest delivered price to destination of customer plus such mark-up as is allowed for each product as set forth below in (i).

(iii) Pending analysis of data to be submitted under provisions of this Schedule, sellers located in Gulf Ports shall have a maximum delivered price as established in this Schedule based on sellers' prices in effect as of April 16, 1941.

(2) Information from Pacific Coast and Gulf Port sellers is required to be filed with the Office of Price Administration on Forms 149:1 and 149:2 respectively.

Copies of Forms 149:1 and 149:2 may be had upon request by applying to the Office of Price Administration.

(h) *Maximum delivered prices for specific wire products.*

(1) Notwithstanding the provisions of any other section of this Schedule, the maximum delivered price of less-than-carload quantities of standard wire nails, annealed smooth wire, and galvanized smooth wire, in the city or free delivery area in which the seller is located, shall be the aggregate of:

(i) Mill straight carload price, (after deducting the regular jobber allowance of 15¢ per cwt.)

(ii) Carload freight from the nearest mill Basing Point to warehouse, and

(iii) One of the following: for standard wire nails—50¢ per cwt., for annealed smooth wire—60¢ per cwt., for galvanized smooth wire—68¢ per cwt.

(2) The maximum delivered price of less-than-carload quantities of standard wire nails, annealed smooth wire, and galvanized smooth wire at any other place, shall be the price (as computed above) in any city and less-than-carload freight from such city.

(3) On all merchant wire products, whether covered by subparagraphs (1), (2) or (4) of this paragraph, extras charged by jobbers and dealers on merchant wire products shall be the same as regular published mill extras in effect as of April 16, 1941, and deductions customarily granted as of April 16, 1941, shall be deducted in computing the maximum delivered price. On standard wire nails, annealed smooth wire and galvanized smooth wire, for which maximum prices are established above, deductions shall be in the same ratio to these maximum prices as they were to prices existing on April 16, 1941.

(4) The maximum delivered prices for less than carload quantities of all other merchant wire products shall be computed as otherwise provided in this Schedule.

(5) The maximum prices for mixed or straight carloads of merchant wire products are established by Section 1306.159 (k) (3).

(6) This section establishes maximum prices to be charged to dealers and quantity purchasers (as noted below) of merchant wire products, and does not establish a maximum price for sales by retail dealers, (such as retail hardware stores, retail lumber yards, or mail order houses) to consumers: *Provided,* That sales by any person of nails in quantities of more than 25 kegs or other merchant wire products in quantities of more than 2500 lbs. shall be governed by the price provisions of this Schedule.

(i) *Maximum delivered prices for pipe and tubular products.*

Maximum delivered prices for the following types of iron and steel pipe and tubular products shall be the sellers' prices in effect as of April 16, 1941: *Provided* they do not exceed the maximum delivered prices established below. Standard published mill extras in effect as of April 16, 1941, may be computed in the maximum delivered price: *Provided,* That where such extras were listed but not customarily charged by the seller as of April 16, 1941, they shall not be charged. Deductions customarily granted as of April 16, 1941, shall be deducted in computing the maximum delivered price.

(1) For standard pipe, seamless pipe, water well casing, large O. D. pipe, and line pipe: the lowest price resulting from that combination of flat basing card discounts of the National Tube Company in effect April 16, 1941, and published all-rail carload freight from Basing Point to destination of customer (except to Pacific Coast points where the rail and water rate is applicable) [1] plus

(i) 25% on standard pipe, reamed and drifted pipe and line pipe 6 inches and smaller, both black and galvanized, and

(ii) 30% on all larger sizes of standard pipe and line pipe, also all sizes of extra strong and double extra strong, both black and galvanized, and all sizes of water well casing and large O. D. pipe.

(2) For wrought iron pipe: the price resulting from combination of resale discounts for sales from distributors' stocks as shown on A. M. Byers Company card in effect April 16, 1941, and published all-rail carload freight from Pittsburgh to destination of customer (except to Pacific Coast points where the rail and water rate is applicable).[1]

(3) For oil country tubular goods: the lowest price resulting from that combination of Basing Point prices as published by Oil Well Supply Co., distributor for National Tube Company, in effect on April 16, 1941, (Oil Country Tubular Goods Price List No. 24) and carload freight or transportation charges to destination of customer as computed in National Tube Co. Freight Book No. 1.[1]

(4) For boiler and other pressure tubes: the lowest price resulting from that combination of Basing Point prices in each quantity bracket of the National Tube Company Price List for sales to consumer in effect April 16, 1941, and less-than-carload freight from Basing Point to destination of customer (carload freight shall be charged on shipments of 40,000 lbs. and over).[1] *Provided,* That maximum prices for merchant and other tubes shall be in the same ratio to the maximum prices established for seamless tubing as existed on April 16, 1941. In no case shall these prices exceed the maximum established here for seamless tubing.

(5) For cold drawn seamless and other mechanical tubing: the prices in effect and actually charged as of April 16, 1941, by the exclusive distributors of the National Tube Co., covering all sections of the country, shall be the maximum prices to be charged in areas served by each such distributor.

(6) This Schedule does not establish a maximum price for sales to consumers by retail hardware stores or mail order houses in quantities not greater than 5 standard lengths of pipe.

(j) *Maximum delivered prices for tool steel.* The maximum delivered price for Tool Steel shall be the seller's prices which were in effect, or would have been charged on April 16, 1941, provided they do not exceed, for comparable products, prices listed in the published price list of Crucible Steel Company, effective on April 16, 1941. The locations of warehouses of the Crucible Steel Company are set forth in Appendix B of this Schedule.

(k) *Maximum delivered prices for shipments in carload quantities, and in certain specific cases.*

(1) Prices in excess of the mill prices provided under Price Schedule No. 6 shall not be charged by any person for: (i) Direct shipments from producers or converters of any quantity of iron or steel products; or (ii) Shipments of any quantity diverted from delivery to warehouses; or (iii) Shipments of any quantity not put through the operations commonly known as the warehousing of iron or steel products.

(2) Notwithstanding the provisions of any other section of this Schedule, shipments of mixed carloads of 40,000 lbs. or more out of warehouse stock, which shipments are made up of a variety of iron and steel items (such as plates, shapes, bars, sheets, special or otherwise, strip; carbon, alloy and stainless) of different types, cross-sections, qualities, or classes, shall not be sold at a price in excess of the maximum delivered price for a 500 lb. quantity minus a discount of not less than $7.00 per net ton.

(3) Mixed or straight carload of Merchant Wire Products shall be sold at maximum prices not exceeding the published mill base prices established under Price Schedule 6 (see ¶ Vf.502). (Regular jobber allowances given by mills may be retained by seller of such mixed carload.)

[1] Special provisions for maximum delivered prices at Pacific Coast points for iron and steel pipe and tubular products are contained in paragraph (g) (ii) of this Section.

(4) Mixed or straight carloads of 40,000 lbs. or more of pipe and tubular products, including boiler and other pressure tubes and mechanical tubing, shall be sold at maximum delivered prices not to exceed published mill carload prices of such products established by Price Schedule No. 6; provided that the above provision shall not apply to sales of Oil Country Tubular Goods out of distributor's stocks, but shall apply to direct mill shipment.

(5) On shipments of 40,000 lbs. or more out of seller's stock not falling within paragraphs (2), (3) and (4) of this section (except that on rails, these provisions shall apply to shipments of 59,000 lbs. or more), the maximum delivered price shall be the mill price as established under Price Schedule No. 6. Provided that on presentation to the Office of Price Administration of a certificate that such shipment out of seller's stock has been specifically authorized by the War Production Board, a maximum delivered price will be established by the Office of Price Administration.

(6) Notwithstanding the provisions of any other section of this Schedule, in the case of any shipment of any quantity out of a warehouse stock which has been specifically allocated to the warehouse by the Office of Production Management, and has been there held for reshipment at the direction of the Office of Production Management for use in defense repairs or other defense purposes, the maximum delivered price shall be fixed by the Office of Price Administration upon application for the setting of such maximum delivered price, which application shall contain a sworn statement setting forth the source of such iron or steel products, the Office of Production Management rating or certificate, and the destination to which the Office of Production Management has directed that shipment be made.

(7) Records on any sales of 40,000 lbs. or more of any iron or steel products to any single customer in any calendar month shall be filed with the Office of Price Administration on or before the 15th day of the next succeeding month. This filing shall include a sworn statement of the names and addresses of the buyers, the products and quantities sold, and the price for each quantity.

(l) *Maximum delivered prices for seconds, wasters, off-grade and used products.*

The maximum delivered price for all off-grade, seconds, wasters, and used iron or steel products, after such shearing, cutting, straightening, bending or pickling, as may be necessary, shall be the seller's prices which were or would have been charged on April 16, 1941, provided they do not exceed the maximum delivered price for comparable iron or steel products of prime quality.

(m) *General provisions.*

(1) Delivery and other services of all kinds, credit or other discounts, all freight absorptions (except as otherwise specified in this Schedule), all allowances, and all other privileges in effect on April 16, 1941, shall be continued without diminution or extra charge.

(2) Brokers, agents, consignees, distributors without stocks, and other persons acting in sales transactions on behalf of owners of iron or steel products other than producers, may continue to charge their customary commissions in effect on April 16, 1941: Provided, that in such cases where commissions are to be added to the selling price, the result shall not exceed the maximum delivered price as established by this Schedule.

(3) Whenever the Office of Price Administration published prices for any city or free delivery area, they shall on publication become the official published listed prices for such city or free delivery area, and shall supersede references otherwise made in this Schedule for the determination of sellers' maximum prices for such products, either in Appendix B for listed cities, or for unlisted cities. Transportation and delivery charges and all extras, deductions and other terms of sale to continue in effect as established by the Schedule, unless specifically stated otherwise in such official published price sheet.

Sec. 1306.160 **Appendix B—Listed Cities.** (a) *Listed Cities or Free Delivery Areas in which sellers stock Heavy Steel Line and Merchant Wire Products.*

Baltimore	Scully Steel Products
Birmingham	Southern Steel Co. Moore-Handley Co.[1]
Boston	Jos. T. Ryerson & Son Scully Steel Products Wheeling Corrugating Co.[1] Wheelock-Lovejoy & Co.
Buffalo	Jos. T. Ryerson & Son Wheeling Corrugating Co.[1] Wheelock-Lovejoy & Co.
Chicago	Jos. T. Ryerson & Son Scully Steel Products Jones & Laughlin Steel Corp. A. M. Castle & Co. Hibbard Spencer Bartlett & Co.[1] Wheelock-Lovejoy & Co.
Cincinnati	Jos. T. Ryerson & Son Jones & Laughlin Steel Corp. The H. Belmer Co.[1] Wheelock-Lovejoy & Co.
Cleveland	Jos. T. Ryerson & Son Scully Steel Products The Geo. Worthington Co.[1] Wheelock-Lovejoy & Co.
Detroit	Jos. T. Ryerson & Son Jones & Laughlin Steel Corp. Buhl Sons Co.[1] Wheelock-Lovejoy & Co.
Houston	Earle M. Jorgensen Co. F. W. Heitmann & Co.[1]
Indianapolis	W. J. Holliday Co.
Los Angeles	A. M. Castle & Co. Earle M. Jorgensen Co. Ducommun Metals & Supply Co.
Memphis	Jones & Laughlin Steel Corp.
Milwaukee	Jos. T. Ryerson & Son Frankfurth Hardware Co.[1]
New Orleans	Jones & Laughlin Steel Corp. Cahn Bros. & Ryder, Inc.[1]
New York	Jos. T. Ryerson & Son Scully Steel Products Jones & Laughlin Steel Corp. Wheelock-Lovejoy & Co.
Norfolk	Eagleston-Parke Inc.
Omaha	Drake-Williams-Mount Co.
Philadelphia	Jos. T. Ryerson & Son Wheeling Corrugating Co.[1]
Pittsburgh	Scully Steel Products Jones & Laughlin Steel Corp. C. A. Turner Co.[1]
St. Louis	Jos. T. Ryerson & Son Scully Steel Products
St. Paul	Scully Steel Products
San Francisco	A. M. Castle & Co. Earle M. Jorgensen Co.
Seattle	A. M. Castle & Co.

[1] The prices of these firms are published list prices only as to the merchant wire product line.

(b) *Listed Cities or Free Delivery Areas in which Crucible Steel Company Warehouse Stocks of Tool Steel are located.*

Atlanta; Boston; Buffalo; Chicago; Cincinnati; Cleveland; Denver; Detroit; Indianapolis; Los Angeles; Milwaukee; Newark; New Haven; New York; Philadelphia; Providence; St. Louis; San Francisco; Seattle; Springfield.

(c) *Listed Cities or Free Delivery Areas in which National Tube Company's Exclusive Distributors of Mechanical Tubing are located.*

Cambridge	Austin-Hastings Co.
Los Angeles	Ducommun Metals & Supply Co.
New York, Buffalo, Philadelphia	Peter A. Frasse & Co., Inc.
Cincinnati	E. K. Morris & Co., Inc.
Chicago, Detroit, Indianapolis, St. Louis	C. A. Roberts Co.
Cleveland	Strong, Carlisle & Hammond
Atlanta	J. M. Tull Metal Supply Co.
Pittsburgh	Williams & Co.*

Sec. 1306.161 **Appendix C—List of Products.** The following iron and steel products and their alloys (including stainless) are "Iron or Steel Products" as defined in Price Schedule No. 6. They are therefore iron or steel products as defined in this Schedule covering resale of iron or steel

Copyright, February 27, 1942, Research Institute.

products. This list does not limit the inclusiveness of the definition. As interpretations are made, this list will be supplemented from time to time.

Ingots
Blooms
Billets
Slabs
Sheet bars
Skelp
Tube rounds
Muck bar
Forging rounds
Bars and small shapes, new billet and rail steel—all types and grades including:
  Merchant
  Cold finished—carbon
  Concrete reinforcing
  Alloy—hot rolled
  Alloy—cold finished
  Hoops and baling bands
Tool steel bars (rolled and forged)
Plates—all types
Pipe and tube — plain, threaded and coupled—all types and grades, including:
  Conduit
  Spiral welded
  Mechanical tubing
  Boiler, pressure, and heat exchanger tubing
Black Plate
Tin plate—all types
Sheets and strip, including plain and corrugated; and roofing and siding of all types; including
  Hot rolled
  Cold rolled
  Galvanized
  Ternes
  Enameling
  Electrical
  All other
Armor plate — forged, rolled and otherwise
Shapes including bearing piles
Sheets piling and accessories
Rails—all types
Track materials including:
  Tie plates
  Tie rods
  Track spikes
  Splice bars (joint bars, angle bars, rail joints, and fish plates)
  Ties
Axles, car wheels, or any combination, rolled or forged
Wire rods — all types and grades
Merchant wire products including:
  Nails, staples, and brads
  Merchant quality wire
  Wire fencing, including woven, chain link and lawn
Bale ties and buckle wires
Posts—all types and accessories
Poultry and animal farm netting
Twisted barbless and barbed wire
Wire clothes line
Wire rope, wire strand, and special cords such as aircraft
Woven wire cloth — insect, hardware, and all other
Wire belting
Wire hoops
Communications and power transmission wire
Welded or woven wire fabrics for reinforcing

Sec. 1306.162 **Appendix D, exceptions to Price Schedule No. 49.** The following persons have been granted an exception under the terms of Price Schedule No. 49, which exception has been defined and limited in certain letters. All action taken in reliance upon the terms of any exception shall be at the risk of the person acting until and unless official notification has been received by such persons pursuant to such application. Persons interested may secure the terms of such exception on application to the Office of Price Administration.

Name	*Date Granted*
State Export Co., 24 State St., N. Y. C.	Jan. 30, 1942
Omni Products Corp., 347 5th Ave., N. Y. C.	Jan. 31, 1942
Overseas Mercantile Co., 14-16 E. 38th St., N. Y. C.	Jan. 31, 1942
First Pan-American Mercantile Co., 19 Rector St., N. Y. C.	Dec. 27, 1941; Jan. 6, 1942; Jan. 14, 1942
Import-Export Industries, Inc., 30 Rockefeller Plaza, N. Y. C.	Jan. 29, 1942
R. Maes Export and Import Corp., 327 E. 29th St., N. Y. C.	Dec. 31, 1941
T. J. McDonald, 24 State St., N. Y. C.	Jan. 14, 1942
Merx Foreign Trade Co., 1270 6th Ave., N. Y. C.	Dec. 31, 1941; Jan. 8, 1942
Coronia Trading Corp., 175 5th Ave., N. Y. C.	Jan. 7, 1942
Industrial Sales Corp., 295 Madison Ave., N.Y.C.	Dec. 31, 1941; Jan. 14, 1942
Requisitioning Division, Board of Economic Warfare, Washington, D. C.; Mr. Lambo Kisselintcheff; and Atlas Trading Corp., N. Y. C.	Jan. 19, 1942
Requisitioning Division, Board of Economic Warfare, Washington, D. C.; Wessel-Duval & Co., N. Y. C.	Jan. 19, 1942
Requisitioning Division, Board of Economic Warfare, Washington, D. C.; Mr. Frederic Rohner.	Jan. 19, 1942
Requisitioning Division, Board of Economic Warfare, Washington, D. C.; Mr. Lambo Kisselintcheff; and Atlas Trading Corp., N. Y. C.	Jan. 24, 1942
M. Paquet & Co., Inc., 17 Battery Pl., N. Y. C.	Jan. 31, 1942
Vance Iron & Steel Co., Chattanooga, Tenn.	Jan. 31, 1942
Fisher Bros. Steel Corp., 297-305 Morris Ave., N. Y. C.	Jan. 31, 1942
Wimberly & Thomas Hardware Co., Birmingham, Ala.	Jan. 31, 1942
Roberts, Sanford & Taylor Co., Sherman, Tex.	Jan. 31, 1942
Van Deren Hardware Co., Lexington, Ky.	Jan. 17, 1942
Baker, Hamilton & Pacific Co., San Francisco, Calif.	Jan. 28, 1942
Horace T. Potts Co., Philadelphia, Pa.	Jan. 31, 1942

* Sections 1306.151 to 1306.161, inclusive, issued pursuant to authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483.

Vf·602. Form 149:2—seller's report on shipments received. The following form is to be filed by Gulf Port sellers, i.e., sellers having warehouses in the States of Texas, Louisiana, Mississippi, Alabama and Florida. Note that it requires data for two different periods, report to cover shipments received during the three months ending March 31, 1941 and an additional report to cover shipments for the quarter ending September 30, 1941:

FORM MP 6-12
GULF PORTS (2)

Seller's report on shipments received for three months ended _____

_____ (Name of parent company) _____ (Address)

_____ (Name of reporting branch) _____ (Address)

Please read carefully all instructions before executing this report. Report all figures to the nearest 1/10 (0.1) net ton.

Submit this report in duplicate for each warehouse owned to the STEEL, IRON AND STEEL PRODUCTS SECTION, OFFICE OF PRICE ADMINISTRATION, WASHINGTON, D. C.

INSTRUCTIONS

1. The term "Seller" as used in this report is identical with "Seller" as defined in § 1306.157 of Price Schedule No. 49.
2. Include in the report *all* steel as received from a producer through outright purchase or on consignment. Fabricated items of all kinds should be omitted. Do not report direct shipments from a producer to your customer.
3. The term "Shipments Received" as used in this report means shipments actually received, not shipments invoiced from producer, within period covered.
4. List shipments invoiced from each Eastern basing point in separate columns: (Columns IV to VIII).
5. The term "Freight" as used above means that rate of freight per 100 lb. actually invoiced by mill, not freight paid to transportation company. If any freight invoiced is greater than the rate of freight that would be invoiced in that combination of base price plus freight that results in lowest delivered price, give explanation on back of form.

Column I	Column II	Column III		Column IV		Column V		Column VI		Column VII		Column VIII	
Product Classification	Total Shipments Received From All Basing Points	Shipments Based on Gulf Ports Basing Point Received From Mills and Mill Warehouses		Shipments Based On _____ (Eastern basing point) Received From Mills and Mill Warehouses (All-Rail)		Shipments Based On _____ (Eastern basing point) Received From Mills and Mill Warehouses (All-Rail)		Shipments Based On _____ (Eastern basing point) Received From Mills and Mill Warehouses (All-Rail)		Shipments Based On _____ (Eastern basing point) Received From Mills and Mill Warehouses (All-Rail)		Shipments Based On _____ (Eastern basing point) Received From Mills and Mill Warehouses (All-Rail)	
		From Gulf Ports Mills and Mill Warehouses	All-Water or Rail and Water From All Other Mills and Mill Warehouses										
	Net tons	Net tons	Net tons	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.
A. (1) Plates, universal and sheared, carbon													
(2) Floor plates													
(3) H. R. bars and small shapes, carbon													
(4) Structural shapes, carbon													
(5) Concrete reinforcing bars													
(A) New billet													
(B) Rail steel													
B. Plates, alloy													
C. Wire rods													

The undersigned certifies that: (1) He executed this report on behalf and by the authority of the above-named company; (2) the facts stated herein are to the best of his knowledge and belief true and correct.

_____ (Date) _____ (Signature and title of authorized official)

Section 35 (a) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Copyright, January 9, 1942, The Research Institute of America, Inc.

Form 1491-2
GULF PORTS (II)
PAGE 1

Seller's report on shipments received for three months ended _____

_____ (Name of parent Company) _____ (Address)

_____ (Name of reporting Branch) _____ (Address)

Please read carefully all instructions before executing this report. Report all figures to the nearest 1/10 (0.1) net ton.

Submit this report in duplicate for each warehouse owned to the STEEL, IRON AND STEEL PRODUCTS SECTION, OFFICE OF PRICE ADMINISTRATION, WASHINGTON, D. C.

INSTRUCTIONS

1. The term "Seller" as used in this report is identical with "Seller" as defined in § 1306.157 of Price Schedule No. 49.
2. Include in the report *all* steel as received from a producer through outright purchase or on consignment. Fabricated items of all kinds should be omitted. Do not report direct shipments from a producer to your customer.
3. The term "Shipments Received" as used in this report means shipments actually received, not shipments invoiced from producer, within period covered.
4. List shipments invoiced from each Eastern basing point in separate columns: (Columns III to VII).
5. The term "Freight" as used above means that rate of freight per 100 lb. actually invoiced by mill, not freight paid to transportation company. If any freight invoiced is greater than the rate of freight that would be invoiced in that combination of base price plus freight that results in lowest delivered price, give explanation on back of form.

Column I	Column II	Column III — Shipments Based on (Basing point) Received from Mills and Mill Warehouses				Column IV — Shipments Based on (Basing point) Received from Mills and Mill Warehouses				Column V — Shipments Based on (Basing point) Received from Mills and Mill Warehouses				Column VI — Shipments Based on (Basing point) Received from Mills and Mill Warehouses				Column VII — Shipments Based on (Basing point) Received from Mills and Mill Warehouses			
Product Classification	Total Shipments Received from All Basing Points (Net tons)	All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water	
		Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.
A. Carbon:																					
(1) Cold finished bars																					
(2) H. R. Sheets																					
(3) C. R. Sheets																					
(4) Galvanized sheets																					
(5) Long terne sheets																					
(6) H. R. strip																					
(7) C. R. strip																					
(8) Tin and manufacturing terne plate																					
(9) Tin mill black plate																					
(10) Ingots, blooms, billets, slabs, tube rounds, sheet, and tin bars																					
(11) Skelp																					
(12) Tool steel bars																					
(13) Wheels and axles																					
(14) Steel sheet piling																					
(15) Track spikes																					
(16) Tie plates																					
B. Alloy:																					
(1) H. R. bars																					
(2) Cold finished bars																					
(3) H. R. sheets																					
(4) H. R. strip																					
(5) C. R. strip																					
(6) Ingots, blooms, billets, slabs, tube rounds, sheet, and tin bars																					
(7) Skelp																					
(8) Tool steel bars																					

Column I Product Classification	Column II Total Shipments Received From All Basing Points (Net tons)	Column III Shipments Based on (Basing point) Received From Mills and Mill Warehouses				Column IV Shipments Based on (Basing point) Received From Mills and Mill Warehouses				Column V Shipments Based on (Basing point) Received From Mills and Mill Warehouses				Column VI Shipments Based on (Basing point) Received From Mills and Mill Warehouses				Column VII Shipments Based on (Basing point) Received From Mills and Mill Warehouses			
		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water		All-Rail		Rail and Water or All-Water	
		Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.	Net tons	Freight per cwt.
C. Stainless:																					
(1) H. R. bars																					
(2) Cold finished bars																					
(3) Plates																					
(4) H. R. sheets																					
(5) H. R. strip																					
(6) C. R. strip																					
(7) Structural shapes																					
(8) Ingots, blooms, billets, slabs, tube rounds, sheet, and tin bars																					
(9) Wire nails																					
D. Pipe:																					
(1) Wrought iron																					
(2) Steel, standard and line																					
(3) Steel, oil country tubular products																					
E. Tubing:																					
(1) Pressure tubes:																					
A. Seamless																					
B. Welded																					
C. Other (specify)																					
(2) Mechanical:																					
A. Seamless																					
B. Welded																					
C. Other (specify)																					
F. Merchant wire products:																					
(1) Wire nails, carbon																					
(2) Staples																					
(3) Merchant quality wire																					
(4) Woven wire fencing																					
(5) Twisted barbless and barbed wire																					
(6) Bale ties																					
(7) Fence posts and gates																					
G. Special sheets:																					
(1) Enameling																					
(2) Black corrugated																					
(3) Galv. corrugated																					
(4) Galvannealed																					
(5) Other (specify)																					
A.																					
B.																					
C.																					
H. Rails (specify)																					

The undersigned certifies that: (1) He executed this report on behalf and by the authority of the above-named company; (2) the facts stated herein are to the best of his knowledge and belief true and correct.

(Date)

(Signature and title of authorized official)

Section 35 (a) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Copyright, January 9, 1942, The Research Institute of America, Inc.

SELLERS' REPORT ON PRICES OF MERCHANT WIRE PRODUCTS IN EFFECT APRIL 16, 1941

(Name of parent company) _____ (Address) _____

(Name of reporting branch) _____ (Address) _____

INSTRUCTIONS

Form 149:4

1. The term "Seller" as used in this report is identical with "Seller" as defined in § 1306.157 of Price Schedule No. 49.
2. In addition to price information required for all other iron and steel products in § 1306.154 (E) of Price Schedule No. 49, all sellers of merchant wire products are to submit the price information below.
3. (If other than regular published mill extras were used as of April 16, 1941, indicate on reverse side of this report, giving full details.) Please note, however, that § 1306.159 (H) (3) specifically provides that regular published mill extras in effect April 16, 1941, be charged.
4. Sizes and trade names should be given where further necessary to indicate different price ranges.
5. Where method of purchase from mill is other than straight or mixed carloads, indicate nature and quantity of purchase.
6. NOTE.—Please note special provisions of § 1306.159 (H) (1) (iii) of Price Schedule No. 49, relating to pricing of standard wire nails, and annealed and galvanized smooth wire.
7. Submit this report in duplicate for each warehouse owned to the STEEL, IRON AND STEEL PRODUCTS SECTION, OFFICE OF PRICE ADMINISTRATION, WASHINGTON, D. C.

Column I Product Classification	Column II Carload Price Invoiced by Mill (1st quarter 1941)	Column II Basing Point Used (Show below)	Column III Freight Per Cwt. Invoiced by Mill	Column IV Seller's Mark-Up Dollar or Column	Column V Selling Price as of Apr. 16, 1941
1. Standard wire nails:					
(a) Common nails, base per cwt.					
(b) Finishing nails, base per cwt.					
(c) Standard roofing nails, base per cwt.					
2. Staples:					
(a) Polished fence, base per cwt.					
(b) Galvanized fence, base per cwt.					
(c) Galvanized poultry netting, base per cwt.					
3. Merchant quality wire:					
(a) Annealed, 6- to 9-gauge base, per cwt.					
(b) Galvanized, 6- to 9-gauge base, per cwt.					
(c) Galvanized brace wire, 8- or 9-gauge, per cwt.					
4. Stone wire:					
(a) Annealed, 16-gauge base, per cwt.					
(b) Galvanized, 16-gauge base, per cwt.					
5. Bright market wire, 6- to 9-gauge base, per cwt.					
6. Galvanized wire clothes line: (Net price per dozen)					
(a) Size / Type / Per 100 feet					
(b) Size / Type / Per 75 feet					
(c) Size / Type / Per 50 feet					
7. Galvanized barbed wire, per spool:					
2-pt. standard, hog					
2-pt. standard, cattle					
2-pt. flat barb, hog					
2-pt. flat barb, cattle					
2-pt. half-round barb, hog					
2-pt. half-round barb, cattle					
2-pt. light 14-gauge, hog					
2-pt. light 14-gauge, cattle					
4-pt. standard, hog					
4-pt. standard, cattle					
4-pt. half-round barb, hog					
4-pt. half-round barb, cattle					
8. Galvanized twisted barbless wire:					
(a) 2-ply, No. 12½ on 80-rod spools, per spool					
(b) 2-ply, No. 12½, on 100-lb. spools, per spool					

Column I Product Classification	Column II Carload Price Invoiced by Mill (1st quarter 1941)	Column II Basing Point Used (Show below)	Column III Freight Per Cwt. Invoiced by Mill	Column IV Seller's Mark-Up Dollar or Column	Column V Selling Price as of Apr. 16, 1941
9. Light poultry fence, per rod:					
(a) Style					
(b) Style					
(c) Style					
(d) Style					
10. Woven-wire fencing, per rod:					
(a) Style					
(b) Style					
(c) Style					
(d) Style					
11. Corn-cribbing, per rod:					
(a) Style					
(b) Style					
(c) Style					
(d) Style					
12. Lawn fence, trellis, and flower guard, per 100 feet:					
(a) Single-picket lawn fence:					
1. Height					
2. Height					
3. Height					
(b) Double-picket lawn fence:					
1. Height					
2. Height					
3. Height					
(c) Trellis wire:					
1. Height					
2. Height					
3. Height					
(d) Standard flower-bed border:					
1. Height					
2. Height					
3. Height					
(e) Light flower-bed border:					
1. Height					
2. Height					
3. Height					
13. Single-loop bale ties, per bundle:					
Gauge / Length / Approximate weight per bundle (pounds)					
(a)					
(b)					
(c)					
(d)					
(e)					
(f)					
(g)					

Under column V, if any quantity prices were in effect April 16, 1941, indicate on reverse side of this sheet all such prices and quantities to which applicable.

Column I — Product Classification	Column II — Carload Price Invoiced by Mill (1st quarter 1941)	Column II — Basing Point Used (Show below)	Column III — Freight Per Cwt. Invoiced by Mill	Column IV — Seller's Mark-Up Dollar or Cents	Column V — Selling Price as of Apr. 16, 1941
14. Steel fence posts, per post:					
(a) Channel section:					
1. Length ____					
2. Length ____					
3. Length ____					
4. Length ____					
(b) "T" section:					
1. Length ____					
2. Length ____					
3. Length ____					
4. Length ____					
(c) Angle section:					
1. Length ____					
2. Length ____					
3. Length ____					
4. Length ____					
(d) ____ (specialty type):					
1. Length ____					
2. Length ____					
3. Length ____					
4. Length ____					
15. Galvanized tubular posts, per post:					
(a) Length ____					
(b) Length ____					
(c) Length ____					
(d) Length ____					
Give information here on any additional products.					

Column I — Product Classification	Column II — Carload Price Invoiced by Mill (1st quarter 1941)	Column II — Basing Point Used (Show below)	Column III — Freight Per Cwt. Invoiced by Mill	Column IV — Seller's Mark-Up Dollar or Cents	Column V — Selling Price as of Apr. 16, 1941
16. Galvanized roofing and siding:*					
(a) Flat galvanized sheets, 24-gauge base, per 100 lb.					
(b) 2", 2½", 3" corrugated sheets, 26" wide, 29-gauge base, per square					
(c) 2", 2½", 3" corrugated sheets, 27½" wide, 29-gauge base, per square					
(d) 1¼" corrugated sheets, 26" wide, 29-gauge base, per square					
(e) 2-V crimp roofing—no sticks, 24" wide, 29-gauge base, per square					
(f) 3-V crimp roofing—no sticks, 24" wide, 29-gauge base, per square					
(g) 4-V crimp roofing—no sticks, 24" wide, 29-gauge base, per square					
(h) 5-V crimp roofing—no sticks, 24" wide, 29-gauge base, per square					
(i) 6-V crimp roofing—no sticks, 24" wide, 29-gauge base, per square					
(j) Pressed standing seam—no cleats, 24" wide, 29-gauge base, per square					
(k) Plain roll roofing—D. X. L.—No cleats, 26½" wide, 29-gauge base, per square					

Give Total Net Tons of Products Covered by this Report Received by Undersigned During the Following Periods	Total Net Tons Received During the Periods 1940-41 Indicated: Merchant Wire Products	Galvanized Roofing and Siding
Last quarter (Oct., Nov., Dec.) 1940		
1st quarter (Jan., Feb., Mar.) 1941		
2d quarter (Apr., May, June) 1941		
3d quarter (July, Aug., Sept.) 1941		
4th quarter (Oct. to date) 1941		

*Although these products do not fall into the category of Merchant Wire Products, they have been included in this report because they are generally carried by the merchant wire trade.

Under column V, if any quantity prices were in effect April 16, 1941, indicate on reverse side of this sheet all such prices and quantities to which applicable.

The undersigned certifies that: (1) He executed this report on behalf and by the authority of the above-named company; (2) the facts stated herein are to the best of his knowledge and belief true and correct.

(Date) _____ (Signature and title of authorized officials) _____

Section 35 (c) of the United States Criminal Code (18 U. S. C. A. 80), makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Vf·604. Form 149:6—letter of explanation to Form 149:4.

149:6

December 15, 1941.

TO SELLERS OF MERCHANT WIRE PRODUCTS

In reporting on Form 149:4, Sellers of Merchant Wire Products shall indicate in Column II Carload Price. and where basis of some purchases was the LCL price this shall also be indicated and marked (LCL).

If purchases were also made from other than Mill, Seller shall name source of supply in an accompanying letter, or indicate same in Column II, and indicate freight (if any) from such source in Column III.

In reporting on Form 149:4, Sellers of Merchant Wire Products shall indicate in Columns IV and V Marks-ups and Selling Prices applying to each different class of customer sold, including consumers and dealers, marking (d) after selling price to dealer and (c) after price to consumer.

OFFICE OF PRICE ADMINISTRATION.

Copyright, January 9, 1942, The Research Institute of America, Inc.

Steel—Allocation

Vf·700. All steel, including alloys, under full priorities. With the demand for steel for all purposes increasing, and with total demand for immediate delivery being greater than the ability of the steel industry to produce and deliver to the satisfaction of all customers, it became necessary that action be taken to insure deliveries for defense above all other deliveries. Steel in all forms, including alloy steel, was therefore placed under full priority control on August 10, 1941 by General Preference Order No. M-21. With this action, all iron and steel products were put under priority control, so that defense needs could be put uncompromisingly ahead of non-defense needs.

Since steel was thus fully covered by specific priority regulations, it was removed from the terms of General Metals Order No. 1 which provided for inventory control, and furthermore, the General Steel Preference Delivery Order No. 1 (see ¶s Vf·450 et seq.) was revoked.

Observation: While alloy steels are included under the present order, a separate order will give details of the regulations applying to alloys. Note also that pig iron has been subject to full priority control since August 6, 1941. (See ¶s Vf·100 et seq.)

Vf·701. Summary of General Preference Order No. M-21. A basic provision of the order is that all defense orders must be filled ahead of non-defense orders. It is also stipulated that defense orders must be accepted by steel companies, subject to certain exceptions, even if this acceptance means the deferment of non-defense orders or orders bearing lower ratings already on the books. Other basic provisions of the steel order are:

(1) Steel as defined in the order means "all carbon and alloy steel castings, ingots, blooms, slabs, billets, forgings, and all other semi-finished and finished rolled or drawn carbon and alloy steels."

(2) Defense orders include contracts or orders for the Army or Navy, for certain other government agencies, for Great Britain or any other lend-lease country, or any order to which a preference rating of A-10 or higher is assigned.

(3) Defense orders which do not bear a higher rating are assigned a preference rating of A-10.

(4) The order contains a six-point formula providing for the acceptance of defense orders.

(5) A producer must file monthly reports with the Division of Priorities, summarizing by group and by product classification, orders received and shipments made during the month, and unfilled orders as of the last day of the month.

(6) If defense orders are rejected or delivery is delayed, unreasonably, the customer may bring this to the attention of the Priorities Division for appropriate action.

(7) After the satisfaction of all defense orders, deliveries under non-defense orders may be made.

(8) The terms of the order apply to intra-company deliveries.

(9) It is provided that "no person shall be held liable for damages or penalties

for any default under any contract, commitment, or purchase order which results directly or indirectly from his compliance with the terms of this order."

(10) The order contains provisions designed to prevent the building up of excess inventories.

(11) Beginning September 1, 1941, purchase orders for steel must be accompanied by a special form (PD-73) obtainable from steel producing companies setting forth the purposes for which the ordered material will be used.

(12) The Director of Priorities may issue special directions to producers, requiring them to make deliveries of steel in fulfillment of special defense needs. The Director may require producers to modify or adjust production schedules. The Director may also allocate purchase orders to particular producers.

recommendation: There is provision for appeal in cases of undue hardship. Any questions which may arise in connection with compliance with the terms of the order should be addressed to Mr. A. D. Whiteside, Chief, Iron and Steel Branch, Office of Production Management, Social Security Building, Washington, D. C.

Vf·702. Text of General Preference Order No. M-21. The following is the text of General Preference Order No. M-21 to conserve the supply and direct the distribution of steel, issued August 9, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 962—STEEL

GENERAL PREFERENCE ORDER M-21

TO CONSERVE THE SUPPLY AND DIRECT THE DISTRIBUTION OF STEEL

WHEREAS, the national defense requirements have created a shortage of steel, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

962.1 *GENERAL PREFERENCE ORDER* (a) *Definitions.* For the purposes of this Order:

(1) "Steel" means all carbon and alloy steel castings, ingots, blooms, slabs, billets, forgings, and all other semi-finished and finished rolled or drawn carbon and alloy steels.

(2) "Person" means any individual, partnership, association, corporation, or other form of enterprise.

(3) "Producer" means any person who produces steel, as herein defined.

(4) "Defense Order" means:

(i) Any contract or order for material or equipment to be delivered to, or for the account of:

1. The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast

Copyright, October 17, 1941, The Research Institute of America, Inc.

Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development;

2. The Government of Great Britain and the government of any other country whose defense the President deems vital to the defense of the United States under the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States."

(ii) Any other contract or order to which the Director of Priorities assigns a preference rating of A-10 or higher.

(iii) Any contract or order placed or offered by any person for the delivery of any material or equipment needed by him to fulfill his contracts or orders on hand, which material or equipment is required for the fulfillment of any contracts or orders included under (i) and (ii), above.

(b) *Directions as to Deliveries.* Deliveries of steel by any producer or any other person shall be made only in accordance with the following directions:

(1) *A-10 Assigned to Certain Defense Orders.* Deliveries under all Defense Orders to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

(2) *Sequence of Preference Ratings.* Preference ratings in order of precedence are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10, etc., AA being the highest rating presently assigned.

(3) *Doubtful Cases.* Whenever there is doubt as to the preference rating applicable to any delivery, or as to whether a particular order is a Defense Order, the matter is to be referred to the Division of Priorities for determination, with a statement of all pertinent facts.

(4) *Sequence of Deliveries.*

(i) Every delivery under a Defense Order shall be made in preference to deliveries under other orders whenever, and to the extent, necessary to fulfill the delivery schedule provided in the Preference Rating Certificate covering such delivery, or in the contract, commitment, or purchase order if no Certificate has been issued. Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure these deliveries bearing higher preference ratings, even though such deferment may cause defaults under existing contracts, commitments, or purchase orders. Each person who has Defense Orders on hand must so schedule his production and deliveries that deliveries under Defense Orders will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings.

(ii) The sequence of deliveries bearing the same preference ratings shall be governed by the delivery dates specified in the respective Preference Rating Certificates assigned thereto, or if the ratings were assigned by order or direction of the Director of Priorities, but no Certificates were issued, then by the dates specified in the contracts, commitments, or purchase orders. In any case where preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the matter is to be referred to the Division of Priorities for determination.

(5) *Delivery Schedules.* No earlier delivery date shall be specified in any Defense Order than required by the production or delivery schedules of the person placing the Defense Order. No preference rating will be assigned to any contract, commitment, or purchase order specifying delivery dates earlier or quantities greater than required by the production or delivery schedules of the person placing the contract, commitment, or purchase order.

(6) *Use of Material Obtained Under Allocation or Preference Rating.* Any person who obtains a delivery of steel under an order or specific direction of the Director

of Priorities, or a delivery of such material bearing a preference rating, must use such material, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the order, direction, or rating.

(7) *Acceptance of Defense Orders.* Defense Orders for steel, whether or not accompanied by a Preference Rating Certificate, must be accepted and fulfilled in preference to any other contracts, commitments, or purchase orders for such material, subject to the following provisions:

(i) Defense Orders shall be accepted even if acceptance will render impossible, or result in deferment of:

(A) Deliveries under non-defense orders previously accepted; or

(B) Deliveries under Defense Orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities.

(ii) Defense Orders need not be accepted:

(A) If delivery on schedule thereunder would be impossible by reason of the requirements of Defense Orders previously accepted bearing higher or equal preference ratings, unless acceptance is specifically directed by the Director of Priorities; or

(B) If the steel ordered is not of the kind usually produced or capable of being produced by the person to whom the Defense Order is offered; or

(C) If the person seeking to place the Defense Order is unwilling or unable to meet regularly established prices and terms of sale, but there shall be no discrimination against Defense Orders in establishing such prices or terms of sale; or

(D) If such Defense Orders specify deliveries within twenty-one days, and if compliance with such delivery dates would require the termination or alteration before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated or altered without substantial loss to the producer.

(8) *Rejected Orders and Deferred Deliveries.* When a Defense Order for steel has been rejected or delivery thereunder has been unreasonably or improperly deferred in violation of this Order, the person seeking to place such order or obtain such delivery may file with the Division of Priorities a verified report in the form to be prescribed by the Division of Priorities, setting forth the facts in connection with the rejection or deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the person against whom complaint is made to submit a sworn statement, setting forth the circumstances concerning the alleged rejection or deferment. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.

(9) *Civilian Deliveries.* Subject to the limitations and restrictions contained in this Order and after satisfaction of all Defense Orders, deliveries under any other contracts, commitments, or purchase orders may be made.

(10) *Intra-Company Deliveries.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division, or section of a single business enterprise to another branch, division, or section of the same or any other business enterprise owned or controlled by the same person.

(11) *Effect of Order: Damages.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply to all deliveries made after the effective date of this Order, including deliveries under contracts, commitments,

Copyright, October 17, 1941, The Research Institute of America, Inc.

or purchase orders accepted either prior to or subsequent to such effective date. No person shall be held liable for damages or penalties for any default under any contract, commitment, or purchase order which results directly or indirectly from his compliance with the terms of this Order.

(12) *Inventory Restriction.* Unless specifically authorized by the Director of Priorities, no person shall, after the effective date of this Order, knowingly make delivery of steel, and no person shall accept delivery thereof, in an amount, quantity, or number which will increase for any current month the inventory of such steel of the person accepting delivery, in the same or other forms, in excess of the amount, quantity, or number necessary to meet required deliveries of the products of the person accepting delivery, on the basis of his current method and rate of operation.

(13) *Special Instructions.*

(i) Beginning September 1, 1941, no producer of steel shall make, and no person shall accept delivery of steel from a producer unless and until such person shall have filed with the producer at the time of placing his purchase order or contract, a statement on Form PD-73, hereto attached, or in such other form as may from time to time be prescribed by the Division of Priorities, setting forth the purposes for which the material ordered will be used. In the case of orders or contracts placed prior to September 1, 1941 such statement shall be filed before October 15, 1941.

(ii) The Director of Priorities may from time to time issue specific directions to producers requiring them to make deliveries of steel during specified periods in fulfillment of contracts, commitments, or purchase orders for particular purposes or to particular persons. Such directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made, in the discretion of the Director of Priorities, without regard to any preference ratings assigned to particular contracts, commitments, or purchase orders. When necessary to assure fulfillment of such directions, the Director may also require any producer to modify or adjust particular production schedules. The Director may also require a person seeking to place a purchase order for steel to place the same with a particular producer.

(iii) For the month of August, 1941, and for each month thereafter, each producer shall make at the time requested by the Director of Priorities, a report in the form to be prescribed by the Director, which shall set forth all records of the orders received and shipments made during such month, and the unfilled orders as of the last day of such month in group and product classifications according to the instructions of the Director, together with such other information as the Director shall from time to time require.

(14) Any allocations made or any preference ratings or other directions issued by the Director of Priorities with respect to the residual supply of steel after the satisfaction of all defense requirements, direct or indirect, shall be in accordance with such Program as the Office of Price Administration and Civilian Supply may determine.

(c) *Records.* All persons affected by this Order shall keep and preserve for a period of not less than two years accurate and complete records of their inventories of steel, and of the details of all transactions in such material. Such records shall include the dates of all contracts, commitments, or purchase orders accepted, the delivery dates specified in such contracts, commitments, or purchase orders, and in any Preference Rating Certificates accompanying them, the dates of actual deliveries thereunder, description of the material covered by such contracts, commitments, or purchase orders, description of deliveries by classes, types, quantities, weights, and values, the parties involved in each transaction, the preference ratings, if any, assigned to deliveries under such contracts, commitments, or purchase orders,

details of all Defense Orders either accepted or offered and rejected, and other pertinent information.

(d) *Audit and Inspection.* All records required to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.

(e) *Reports.* All persons affected by this Order shall execute and file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request. No reports or questionnaires are to be filed by any person until forms therefor are prescribed by the Office of Production Management.

(f) *False Statements.* Any person who wilfully falsifies any records which he is required to keep by the terms of this Order or by the Director of Priorities, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management, and any person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of steel. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35 of the Criminal Code (18 U.S.C. 80).

(g) *Appeal.* Any person affected by this Order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him may appeal to the Division of Priorities by addressing a letter to the Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C., setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

(h) *Notification of Customers.* Any person who is prohibited from, or restricted in, making deliveries of steel by the provisions of this Order shall, as soon as practicable, notify each of his regular customers of the requirements of this Order but the failure to give such notice shall not excuse any customer from the obligation of complying with the terms of this Order.

(i) *Revocation of General Steel Preference Delivery Order.* General Steel Preference Delivery Order issued May 29, 1941, as amended, is hereby revoked, effective as of the effective date of this Order.

(j) *Effective Dates.* This Order shall take effect on the 9th day of August, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; Sec. 2(a), Public No. 671, 76th Congress, Sec 9, Public No. 783, 76th Congress.)

Issued this 9th day of August, 1941.

.....

E. R. STETTINIUS, Jr.,
Director of Priorities.

Vf·703. Form PD-73—Customer's statement to producer classifying purchases. The following is the text of Form PD-73 which constitutes the customer's statement to producer classifying purchase order or contract for steel:

Copyright, October 17, 1941, The Research Institute of America, Inc.

PD-73

(This Form may be Reproduced)
OFFICE OF PRODUCTION MANAGEMENT
Iron and Steel Branch
Washington, D. C.

CUSTOMER'S STATEMENT TO PRODUCER CLASSIFYING PURCHASE ORDER OR CONTRACT FOR STEEL

This Statement must be attached to every order or contract placed with a Producer for carbon and alloy steel castings, ingots, blooms, slabs, billets, forgings and all other semi-finished and finished rolled or drawn carbon and alloy steels, as covered in Order M-21, issued August 9 , 1941 by the Director of Priorities.

All steel covered by this Statement is to be for only one "Group Classification" as defined in the "Instructions for Form PD-73".

To _____ _____
Name of Producer Address

From _____ _____
Name of Customer Address

Type of business _____

Order No. _____ covers material in "Group" _____
(Give Group Title)

Date _____ Is order for stock? Yes ☐ No ☐ Group letter _____

Shipping date(s) required _____

Completion date of contract for which material is required _____

Ultimate use (as detailed as possible) _____

Insert in Column (#1) each product included in this order according to "Product Classification" as defined in the "Instructions for Form PD-73", and insert in Column (#2) CORRESPONDING TONNAGE FOR EACH PRODUCT. If alloy steel, insert "a" after number.

(#1) Products	(#2) Net Tons	(#1) Products	(#2) Net Tons	(#1) Products	(#2) Net Tons	Total-Col.#2
						(Net Tons)

CERTIFICATE

The undersigned hereby certifies to the Producer and to the Division of Priorities Office of Production Management, that:

(1) he executed the foregoing statement on behalf of and by authority of the above-named customer;
(2) the customer has not placed an order for steel in any form with any source of supply which will duplicate the requirements of the order to which this statement is attached;
(3) the facts stated herein are, to the best of his knowledge and belief, true and correct;

_____ _____ _____
(Date) (Signature of Authorized Official) (Title)

(Section 35 of the Criminal Code, 18 U.S.C. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

The Producer shall preserve this statement for not less than two years for audit and inspection by Office of Production Management.

INSTRUCTIONS FOR FORM PD-73

In filling out Form PD-73, use the proper Group and Product(s) Classifications listed below. All steel covered by one statement is to be for only one group classification. (NOTE. The certified statement is sent to the steel producer with your order and not to the Office of Production Management).

GROUP CLASSIFICATION

(The letters used to designate the following groups are not to be construed as preference ratings).

Group A. Army-Navy
Contracts, commitments, or purchase orders for products to be delivered to or for the account of the Army or Navy of the United States. (Include in this group PD-3 Preference Rating Certificates and direct Army or Navy Contracts)

Group B. Maritime-U. S. Agencies
Contracts, commitments, or purchase orders for products to be delivered to or for the account of the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development. (Include in this group PD-4 Preference Rating Certificates and direct contracts from the various Government Agencies herein listed).

Group C. Lend-Lease
Contracts, commitments, or purchase orders for products to be delivered to or for the account of the Government of Great Britain and the government of any other country whose defense the President deems vital to the United States. (Include in this group orders placed by the Procurement Division, United States Treasury, which bear the symbol "DA" on the order form).

Group D. Priorities Division
Contracts, commitments, or purchase orders to which the Director of Priorities assigns a preference rating of A-10 or higher. (Include in this group all PD-2 Preference Rating Certificates or blanket ratings issued by the Priorities Division and all other Defense Orders as defined in General Preference Order M-21 which are not included under Groups A, B, C, E, and F).

Group E. Other Export
Contracts, commitments, or purchase orders for products to be exported from the United States and not included under Group C, above. (Include in this group all orders for export which are not in Group C).

Group F. Warehouses
Contracts, commitments, or purchase orders for delivery to warehouses for resale from their stock. (Include in this group, and in no other, all sales to warehouses).

Group G. OPACS
Contracts, commitments, or purchase orders for products covered by any Civilian Allocation Program which may be determined by the Office of Price Administration and Civilian Supply. (Include in this group only "B" ratings).

Group H. All other
Contracts, commitments, or purchase orders for products not included in Groups A to G, above. (Include in this group all orders which cannot be specifically identified as being in Group A to G, inclusive).

PRODUCT CLASSIFICATION

Place in Column (#1) code number(s) listed below to identify Product(s) covered by order.

(1) Ingots, Blooms, Billets, Slabs, Tube Rounds and Sheet and Tin Bars	(6) Tie Plates and Track Accessories Including Track Spikes	(11) Pipe and Tubes	(16) Sheets and Strip Hot Rolled	(21) Wheels and Axles
(2) Structural Shapes and Piling	(7) Hot Rolled Bars Carbon, Including Hoops and Bands	(12) Wire Rods	(17) Sheets and Strip Cold Reduced	(22) Forgings Armor Plate and Ordnance
(3) Plates (Universal & Sheared)	(8) Hot Rolled Bars Concrete Reinforcing	(13) Wire and Wire Products Including Fence Posts	(18) Sheets and Strip Galvanized	(23) Forgings All Other
(4) Rails Over 60 lbs.	(9) Hot Rolled Bars Alloy	(14) Black Plate	(19) Sheets and Strip All Other	(24) Steel Castings
(5) Rails All Other	(10) Cold Finished Bars (Carbon & Alloy)	(15) Tin & Terne Plate (Hot Rolled and Cold Reduced)	(20) Tool Steel Bars	(25) Skelp
				(26) All Other

603)

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·704. No exemption from prohibition to complete non-rated deliveries.

Observation: Steel mills will not be permitted to complete delivery of non-defense or non-rated orders now on their books if the delivery conflicts with defense orders, under the terms of the steel priority order. Millmen have held the opinion that work now in process for civilian use would be exempt from the provisions of the order, as was the case in the nickel-steel priority order of May 1, 1941, but the official word is that the two orders are not comparable.

The Priorities Division says that, while special cases should be brought to the attention of OPM, the answer in general to requests for permission to make such deliveries is "no," except where the 21-day clause can apply. This clause stipulates:

"(ii) Defense orders need not be accepted:

"(D) If such defense orders specify deliveries within twenty-one days, and if compliance with such delivery dates would require the termination or alteration before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated or altered without substantial loss to the producer."

Vf·705. Effective date of steel priorities.

Observation: It should be noted that the effective date of the steel priority order was August 9, 1941, not September 1, 1941, as erroneously reported in the trade. September 1 was designated only as the date for filing PD-73 forms. The provisions of the order are in full force and effect and steel mills are obligated to conform on current activity.

Vf·706. Priorities for steel drum and container manufacturers. For a system of blanket ratings for manufacturers of steel drums and containers, see ¶ Vf·900.

Vf·707. Steel warehouse men to receive priority. Steel warehouses, which constitute the normal source of supply for small civilian orders of steel and are also important cogs in the defense machinery, have been given the benefit of priority treatment in obtaining stocks of steel for resale in a Supplementary Order M-21-b of September 4, 1941, signed by Donald Nelson, Director of Priorities. This order amends the steel priority order (M-21).

Previously warehouse men and other wholesale middlemen had received scant consideration in the priority set-up. Inasmuch as warehouse steel is a very important item to many local manufacturers who buy in small lots not handled by the steel companies, the priority status embodied in this order represents a new trend in Office of Production Management policy. The warehouse priority is expected to substantially aid manufacturing plants working on defense subcontracts and civilian industries who are dependent on the warehouses for small quantities of steel.

The highlights of the priority order are an A-9 rating for supplies of steel and a required report by the warehouse men on their retail sales for the first quarter of this year. The priority order takes the form of a supplement to General Preference Order M-21.

A quota is to be established for each warehouse buying steel directly from a producer. When this has been done, a preference rating of A-9 will be assigned to deliveries of steel within the limits of the quota.

All steel warehouses should file with the Priorities Division on or before September 15th a report on form PD-83-a setting forth deliveries made during the first quarter of 1941 of steel from stocks owned and on consignment. Copies of this reporting form are being mailed to approximately 3,000 warehouses.

From these reports, the Director of Priorities will determine what percentage of first-quarter sales should be set as the quota for delivery to the warehouse during the last quarter of 1941. On or before October 5, he will notify each warehouse what its quota is to be. Quotas established for the last quarter of this year will remain in effect for each subsequent quarter until further notice.

The order permits until October 5 deliveries to a warehouse of all types of steel under the A-9 rating to the extent of one-third of its receipts from mills of such types of steel during the first quarter of 1941.

Deliveries of steel from warehouses are limited by the terms of the order. Except for small sales, in amounts specified in the order, warehouses may not make deliveries of alloy steel for any but defense orders. Orders for carbon steel for non-defense purposes may be filled after provision has been made to care for present and anticipated defense orders.

Exemptions from these requirements permit monthly deliveries of alloy steel on small non-defense orders up to 10% of the average monthly deliveries of such material during the first quarter of 1941.

Small orders, as defined in the order, are for materials in the following amounts:

Alloy Tool Steel, 50 lbs. per item.
Stainless Steel, 50 lbs. per item.
Other Alloy Steel, 300 lbs. per order.

Vf·708. Text of Supplementary Order M-21-b relating to steel warehouses, September 4, 1941. The following is the text of Supplementary Order M-21-b relating to steel warehouses, issued September 4, 1941:

SUPPLEMENTARY ORDER M-21-b

RELATING TO STEEL WAREHOUSES

962.3 *SUPPLEMENTARY ORDER.* (a) *Definition.* For the purpose of this Supplementary Order, "Warehouse" means any person who receives physical delivery of steel from a producer for sale or resale in the form received.

(b) *Limitation of Deliveries to Warehouses.*

(i) After October 5, 1941, no Warehouse shall accept from a Producer any delivery of steel on consignment or otherwise until a quota has been established for such Warehouse, pursuant to paragraph (c), and no such delivery shall be made or accepted except within the limits of such quota.

(ii) For the period between the effective date of this Supplementary Order and October 5, 1941, no Warehouse shall accept from a producer and no producer shall make to a Warehouse any delivery of any type of steel product in excess of one-third of the deliveries of such type of product by such producer to such Warehouse during the first quarter of 1941.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(c) *Quota.* On or before September 15, 1941, each Warehouse desiring to obtain a quota shall file in quadruplicate with the Director of Priorities a report in form prescribed by the Director. After such filing, the Director shall establish a quota for such Warehouse and shall notify such Warehouse as to the amount of such quota. The Director may from time to time establish a quota for any type of steel product and may vary the amount of any quota established for any product or group of products.

(d) *Assignment of Preference Rating to Deliveries to Warehouses.* The Director of Priorities will issue to each Warehouse for which a quota is established pursuant to paragraph (c) a certificate assigning a preference rating of A-9 to deliveries of steel to such Warehouse, within the limits of such quota. Such preference rating may be changed from time to time by the Director of Priorities.

(e) *Limitation of Deliveries by Warehouses.* Except as permitted by paragraph (f), no Warehouse shall make deliveries of alloy steel from its stock except on defense orders. After making provision for present and anticipated defense orders, and subject to the terms of General Preference Order M-21, a Warehouse may make deliveries of carbon steel from its stock to non-defense customers.

(f) *Exemption of Small Sales by Warehouses.* A Warehouse may, during any calendar month, make deliveries of the materials in the quantities specified below, on any rated or unrated order, provided that the total amount of each such material delivered to all customers in this manner during any calendar month shall not exceed ten per cent (10%) of the average monthly deliveries of each such material by the Warehouse to all customers during the first calendar quarter of 1941, and further provided that nothing contained in this paragraph shall be construed to excuse any person from complying with the applicable provisions of General Preference Order M-14, to conserve the supply and direct the distribution and use of tungsten in high speed steel.

Material	*Deliveries Not to Exceed*
(1) Alloy Tool Steel.....	50 lbs. per item
(2) Stainless Steel.....	50 lbs. per item
(3) Other Alloy Steel.....	300 lbs. per order

(g) *Special Instructions.* The Director of Priorities may from time to time issue specific directions to Warehouses requiring them to earmark stocks or to make deliveries during specified periods in fulfillment of contracts, commitments, or purchase orders for particular purposes or to particular persons. Such directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made, in the discretion of the Director of Priorities, without regard to any preference ratings assigned to particular contracts, commitments or purchase orders.

(h) *Effective Dates.* This Supplementary Order shall take effect on ..... day of ....., 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941.

Issued this ..... day of ....., 1941. DIRECTOR OF PRIORITIES.

Vf·709 and **Vf·710** have been deleted.

Vf·711. Filing of all orders in one classification on one PD-73 permitted. An amendment to General Preference Order M-21, making less burdensome the filing of forms by producers and purchasers of steel, has been announced by Donald M. Nelson, Director of Priorities. The amendment makes some procedural changes. One change permits the War and Navy Departments, and warehouses, to file reports of all orders in a single group classification placed during a single month on one PD-73, instead of filing a form at the time of placing each order. In each case, the form must be filed with the producer on or before the fifth of the following month. Another paragraph in the amendment provides that when steel is shipped by a producer direct to a customer of a warehouse,

The plan is based on a formula which will govern shipments of the merchant products listed to steel warehouses during the months of October, November and December. It is set forth in a directive which lists certain steel products widely sold by warehouses and stipulates the quantities of those products which may be delivered to them during the coming calendar quarter.

The order governing steel warehouses defines a warehouse as "any person who receives physical delivery of steel from a producer for sale or resale in the form received." This definition includes certain hardware stores, dealers and jobbers who buy from producers. These small business firms, therefore, will be able to get the merchant products listed—such as wire and nails—with the assistance of the plan.

In all cases covered, the rated shipments to be made in the October-December period are lower than the quantities shipped by the same producers to the same warehouses for the similar period of 1940, although total shipments to the warehouses may be as high as 110% of 1940 shipments if these higher deliveries do not conflict with the fulfillment of defense orders by producers. In other words, the shipments facilitated by a preference rating are lower than those received by the warehouses in 1940 but higher shipments can be made if the material is available.

The rated shipments permitted under the directive will carry ratings of A-9.

The formula announced in the directive applies only to shipments of the so-called merchant products listed. Quotas for the delivery of other steel warehouse products are now being prepared and will be distributed to the industry within a short time.

Major purpose of the steel warehouse plan is to provide assistance to the thousands of warehouses which perform an important service in the distribution of small quantities of steel to all kinds of customers, many of them engaged in defense work. These warehouses had been experiencing some difficulty in obtaining adequate supplies but the new plan grants definite quotas so that these distributors may receive the products they need.

Vf·710. Text of directive helping small distributors and warehouses. The following is the text of a Priorities Division directive with respect to small distributors and warehouses of certain merchant steel products.

September 26, 1941

DIRECTIVE WITH RESPECT TO CERTAIN WAREHOUSE SHIPMENTS

TO ALL PRODUCERS OF STEEL:

Dear Sirs:

Pursuant to the provisions of General Preference Order M-21 and Supplementary Order M-21-b, it is deemed advisable to establish a rated quota for certain types of steel products distributed through Warehouses, including those products commonly referred to as "merchant products." This will be done as follows:

(1) Until further notice, for each calendar quarter, beginning October 1, 1941, a preference rating of A-9 is hereby assigned to deliveries to be made by a producer to any Warehouse (as defined in Supplementary Order M-21-b), now conducting business as a Warehouse, of

Copyright, October 17, 1941, The Research Institute of America, Inc.

(1)

Persons Who Must File PD-73 and Time of Filing

(a) On all orders placed after September 1, 1941, Form PD-73 shall be filed with the producer when the order is placed.

(b) On all orders placed prior to September 1, 1941, with deliveries to be made after September 1, 1941, Form PD-73 shall be filed with the producer on or before October 15, 1941. *(However, we are earnestly requesting that every purchaser of steel file with his producer, as soon as possible, PD-73 to cover all orders placed prior to September 1. We are asking for all customers' cooperation in this matter, because we are demanding that the steel producers give us a report covering their September shipments on the basis of the Group Classifications, and it will be necessary for the producers to have the proper classifications on orders placed prior to September 1, if they are to give us a true picture of their shipments for the month of September.)*

(c) Where steel is shipped by a producer direct to a customer of a warehouse or jobber, Form PD-73 is to be filed with the producer by the customer, not by the warehouse or jobber.

(d) A customer may file one Form PD-73 to cover more than one order placed on the same date with a producer if all material is for the same group classification.

(e) *Warehouses.* A warehouse may file with a producer a single Form PD-73 covering all orders in a single group classification placed with such producer during any calendar month. Each such Form PD-73 must be filed with the producer on or before the fifth day of the following month.

(f) *Army and Navy.* A similar procedure may be followed when the purchaser is the United States Army or Navy.

(g) *Export Sales.* On export orders (except Canadian) now on the books of a producer or placed prior to December 1, 1941, Form PD-73 may be filed by the accredited agent or export division of the producer in the United States. On orders placed on or after December 1, 1941, Form PD-73 must be filed by the purchaser with his order.

(2)

For further clarification, listed below is a breakdown of certain of the Product Classifications, itemizing those products for which PD-73 must be filed by a purchaser. All the other products under the Product Classification seem to be clearly defined and need no further explanation.

Product No. (6) "Tie Plates and Track Accessories Including Track Spikes"—This means and includes for the purpose of filing PD-73, tie plates, track spikes, splice bars and rail joints.

Product No. (11) "Pipe and Tubes"—This means and includes all pipe and tubes, *except conduit.*

Product No. (13) "Wire and Wire Products Including Fence Posts"—This means and includes wire, woven fence wire, barbed wire, nails and staples, bail ties, fence posts and gates.

Product No. (20) "Tool Steel Bars"—This means and includes high speed steel.

Product No. (23) "Forgings All Other"—This means and includes all rough forgings, whether or not these rough forgings are produced by a steel producer or by an independent forging company who purchases steel in order to produce forgings in its own plant.

Product No. (24) "Steel Castings"—This means and includes only all rough steel castings.

(3)

Preferred Deliveries

Paragraph (b)(7) of the Steel Order requires acceptance and fulfillment of defense orders in preference to other orders. *The Group Classifications on Form PD-73 do not constitute preference ratings.*

Form PD-73 is for purposes of *information* and *classification* of steel shipments. PD-73 does not relieve a purchaser from any obligation with respect to Preference Rating Certificates and their proper use.

(4)

Records

Records must be preserved for at least two years by all persons affected by the Order. This includes purchasers as well as producers.

(5)

Producers of steel who cannot clearly identify the ultimate use of the material under groups A to G, inclusive, will class these orders under Group H. For example, a person who buys steel to produce "off the shelf" products and cannot determine the ultimate destination of these finished products, and also is not covered by the Defense Supplies Rating Plan, or other orders issued by the Director of Priorities must classify his purchases under "H." A statement from a purchaser of steel that a large percentage of his finished products are used in defense, or that they expect to obtain a preference rating in the near future, cannot be used to classify the customers' orders on Form PD-73. Such orders would be classified in "H."

(6)

Group G—OPACS. Orders in this group must carry a preference rating certificate with a "B" rating, or other various specific identification from the Director of Priorities that the material is for essential civilian supply. Because a manufacturer is not producing products for defense does not allow him to group his orders under "G."

(7)

All purchases of steel, seconds as well as primes, are to be reported on Form PD-73.

(8)

Under this Order it is necessary for many companies to file Form DP-73 when they place an order for steel, and in turn, their customers must file a PD-73 Form with them to cover purchases of this company's products. The reason for this is that as steel is defined under this Order, and covered by the Product Classifications, it is obligatory on the part of the companies so affected to both file and receive Form PD-73.

(9)

All the above information, and the answers to nearly all the other questions received, are contained in the Order and instructions. As the burden of answering individual inquiries is heavy, we urge that, before addressing questions to this office, you read carefully the material already sent you. Your regular supplier should also be able to assist you with information as to procedure.

Very truly yours,

(Sgd.) A. D. WHITESIDE
A. D. Whiteside, Chief
Iron and Steel Branch
Materials Division

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·714. Priorities Division takes power to determine steel alloy metal and content. A supplementary order providing additional specific regulations over alloy steel, alloy iron and wrought iron was issued September 16, 1941 by Donald M. Nelson, Director of Priorities.

The new order is Supplementary Order M-21-a. The M-21 order is the one which provides full priority control over steel products.

Alloy steel of all kinds is already subject to priority control under the terms of General Preference Order M-21. However, the present order includes a definition of alloy steel and alloy iron and specifically authorizes the Director of Priorities to issue directions to any producer as to deliveries he may make or the kinds of alloys he may produce. This means that in the future the Division of Priorities can determine what percentage of alloy metals and the kind of alloy metal a producer may use.

The order stipulates that deliveries under toll agreements—now in effect or to be entered into—must be specifically authorized by the Director of Priorities.

The supplementary order also revokes General Preference Order M-5, Supplementary Order M-5-a and Supplementary Order M-5-b, all relating to nickel-bearing steel which is now included under orders M-21 and M-21-a.

Vf·715. Text of Supplementary Order No. M-21-a. The following is the text of Supplementary Order No. M-21-a of September 16, 1941:

SUPPLEMENTARY ORDER NO. M-21-a

Relating to Alloy Iron, Alloy Steel and Wrought Iron

962.2 *SUPPLEMENTARY ORDER.* (a) *Definition.* For the purposes of this Order, "Alloy Steel" means any steel, and "Alloy Iron" means any iron, containing any one or more of the following elements in the following amounts:

Manganese in excess of 1.65%
Silicon in excess of 0.60%
Copper in excess of 0.60%
Aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, zirconium or any other alloying element in any amount specified or known to have been added to obtain a desired alloying effect.

(b) *Priority Control.* All the provisions and definitions of General Preference Order M-21, issued August 9, 1941, and of Priorities Regulation No. 1, issued August 27, 1941, as amended from time to time, shall be applicable to alloy iron, alloy steel and wrought iron and are hereby included as a part of this Order with the same effect as if specifically set forth herein, except as otherwise specifically provided herein.

(c) *Directions as to Deliveries and as to Alloying Content.* The Director of Priorities may from time to time issue directions to any Producer, directing or forbidding specific deliveries, or specifying as to any alloying element the quantities and proportions which may be used in making alloy iron or alloy steel, and whether, and in what proportions, any such element is to be the metal, a ferro-alloy, reclaimed metal, scrap, a chemical compound or any other material containing such element. A Producer who shall violate any such direction, or any person who knowingly receives delivery of alloy iron or alloy steel in violation thereof, may be prohibited from making or receiving further deliveries of such material or subjected to such other action as the Director of Priorities may deem appropriate.

(d) *Restriction of Deliveries under Toll Agreements.* No person shall make any delivery under any contract now outstanding or hereafter entered into for the delivery of alloy iron

or alloy steel which he processes, fabricates or casts by toll agreement for any other person, unless specifically authorized to do so by the Director of Priorities.

(e) *Revocation of General Preference Order M-5.* General Preference Order M-5, as amended, Supplementary Order M-5-a, as amended and Supplementary Order M-5-b, issued to conserve the supply and direct the distribution of nickel-bearing steel, are hereby revoked, effective as of the effective date of this Supplementary Order.

(f) *General Preference Order M-14 Still Effective.* Nothing contained herein shall be construed to amend or modify any of the provisions of General Preference Order M-14, to conserve the supply and direct the distribution and use of tungsten in high-speed steel.

(g) *Effective Dates.* This Supplementary Order shall take effect on the 16th day of September, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941.

(P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; OPM Reg. 3, March 8, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session.)

Issued this 16th day of September, 1941.

.....

DONALD M. NELSON,
Director of Priorities.

Vf·716. PD-83d—classification instructions for steel warehouse. The following is the text of Form PD-83d which constitutes classification instructions for steel warehouse report PD-83. Note that Form PD-83 is to be found at ¶ Vf·728.

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH
WASHINGTON, D. C.

PD-83d

Classification Instructions for Steel Warehouse Report PD-83

On and after September 1, 1941, each warehouse must obtain from its customers information regarding each delivery from warehouse stock which will permit classification with respect to the group and product classifications shown below. This information is required in order to complete the monthly report on Form PD-83 which will be provided at a later date.

GROUP CLASSIFICATION

(The letters used to designate the following groups are not to be construed as preference ratings.)

Group A. Army-Navy

Contracts, commitments, or purchase orders for products to be delivered to or for the account of the Army or Navy of the United States. (Include in this group PD-3 Preference Rating Certificates and direct Army or Navy Contracts.)

Group B. Maritime-U. S. Agencies

Contracts, commitments, or purchase orders for products to be delivered to or for the account of the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development. (Include in this group PD-4 Preference Rating Certificates and direct contracts from the various Government Agencies herein listed.)

Group C. Lend-Lease

Contracts, commitments, or purchase orders for products to be delivered to or for the account of the Government of Great Britain and the government of any other country whose defense the President deems vital to the United States. (Include in this group orders placed by the Procurement Division, United States Treasury, which bear the symbol "DA" on the order form.)

Copyright, October 17, 1941, The Research Institute of America, Inc.

Group D. Priorities Division

Contracts, commitments, or purchase orders to which the Director of Priorities assigns a preference rating of A-10 or higher. (Include in this group all PD-2 Preference Rating Certificates or blanket ratings issued by the Priorities Division and all other Defense Orders as defined in General Preference Order M-21 which are not included under Groups A, B, C, E, and F.)

Group E. Other Export

Contracts, commitments, or purchase orders for products to be exported from the United States and not included under Group C, above. (Include in this group all orders for export which are not in Group C.)

Group F. Warehouses

Contracts, commitments, or purchase orders for delivery to warehouses for resale from their stock. (Include in this group, *and in no other,* all sales to warehouses.)

Group G. OPACS

Contracts, commitments, or purchase orders for products covered by any Civilian Allocation Program which may be determined by the Office of Price Administration and Civilian Supply. (Include in this group only "B" ratings.)

Group H. All other

Contracts, commitments, or purchase orders for products not included in Groups A to G, above. (Include in this group all orders which cannot be specifically identified as being in Group A to G, inclusive.)

PRODUCT CLASSIFICATION

(1) Ingots, Blooms, Billets, Slabs, Tube Rounds and Sheet and Tin Bars	(6) Tie Plates and Track Accessories Including Track Spikes	(11) Pipe and Tubes	(16) Sheets and Strip Hot Rolled	(21) Wheels and Axles
(2) Structural Shapes and Piling	(7) Hot Rolled Bars Carbon, Including Hoops and Bands	(12) Wire Rods	(17) Sheets and Strip Cold Reduced	(22) Forgings Armor Plate and Ordnance
(3) Plates (Universal & Sheared)	(8) Hot Rolled Bars Concrete Reinforcing	(13) Wire and Wire Products Including Fence Posts	(18) Sheets and Strip Galvanized	(23) Forgings All Other
(4) Rails Over 60 lbs.	(9) Hot Rolled Bars Alloy	(14) Black Plate	(19) Sheets and Strip All Other	(24) Steel Castings
(5) Rails All Other	(10) Cold Finished Bars (Carbon & Alloy)	(15) Tin & Terne Plate (Hot Rolled and Cold Reduced)	(20) Tool Steel Bars	(25) Skelp
				(26) All Other

Vf·717. Form PD-83a—Steel warehouse statement of deliveries for first quarter of 1941. The following is the text of Form PD-83a which constitutes a steel warehouse statement of deliveries for the first quarter of 1941:

PD-83a

OFFICE OF PRODUCTION MANAGEMENT
Iron and Steel Branch
Washington, D. C.

STEEL WAREHOUSE STATEMENT OF DELIVERIES FOR FIRST QUARTER OF 1941

File, in quadruplicate for each warehouse owned, on or before September 15, 1941, with the Iron and Steel Branch Office of Production Management, Washington, D. C.

Name of Warehouse _____ Location of Plant _____

Name and Address of Company owning Warehouse

a. List below, according to product classification, all deliveries of steel from stock during the first calendar quarter of 1941 (Jan. Feb. Mar.). Exclude shipments direct from producer to warehouse customers, and items "picked up" from other sources. Report all figures in net tons to the nearest tenth (.1).

	Deliveries From Owned Stocks	Deliveries From Consigned Stocks
1. Ingots, Blooms, Billets, Slabs, Tube Rounds & Sheet & Tin Bars		
2. Structural Shapes and Piling		
3. Plates (Universal & Sheared)		
4. Rails - Over 60 lbs.		
5. Rails - All Other		
6. Tie Plates & Track Accessories, Including Track Spikes		
7. Hot Rolled Bars, Carbon, Incl. Hoops & Bands		
8. Hot Rolled Bars, Concrete Reinforcing		
9. Hot Rolled Bars, Alloy		
10. Cold Finished Bars (Carbon & Alloy)		
11. Pipe & Tubes		
12. Wire Rods		
13. Wire & Wire Products, Including Fence Posts		
14. Black Plate		
15. Tin & Terne Plate (Hot Rolled and Cold Reduced)		
16. Sheets and Strip, Hot Rolled		
17. Sheets and Strip, Cold Reduced		
18. Sheets & Strip, Galvanized		
19. Sheets & Strip, All Other		
20. Tool Steel Bars		
21. Wheels & Axles		
22. Forgings, Armor Plate & Ordnance		
23. Forgings, All Other		
24. Steel Castings		
25. Skelp		
26. All Other		
TOTAL DELIVERIES FIRST QUARTER		

b. Our Principal Sources of Supply of Steel are: (Use reverse side if necessary)

Name of Producer	Address of Plant

Date _____ Signature of Authorized Official _____ Title _____

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(For Use of the Division of Priorities Only)

QUOTA: Until further notice, the Director of Priorities hereby authorizes the warehouse named above to receive steel from his suppliers during each calendar quarter equal to _____ percent of the total tonnage of each product classification delivered from stock to customers during the period January 1 - March 31, 1941, except as follows: _____

For Iron and Steel Branch _____ Date _____ Director of Priorities _____

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·718. No steel for pipeline available. The Supply Priorities and Allocations Board September 16, 1941 announced that it had received formal application for a priority rating to construct the "national defense pipeline" from New York to Texas, and that after careful consideration it had reaffirmed its previous decision that no plan involving the immediate use of steel plate can be considered.

Steel plate is vitally needed for the construction of ships, and SPAB took the position that it is more important in this emergency to provide for ship construction than to insure plenty of gasoline for pleasure driving on the Eastern Seaboard.

Informing Mr. Davies that steel plate cannot be spared, the Board took a more favorable attitude in regard to the use of seamless tubing. Billets from which the tubing is extruded are not under as heavy demand as steel plate, and studies have indicated that it would be possible to produce enough tube for at least part of the pipeline without upsetting defense requirements if production schedules were properly adjusted to defense contracts in the tube mills.

SPAB requested the Office of Production Management to make a further study of the project to determine whether, if sufficient seamless tube is released, the necessary pumps, valves, motors and other accessories can be produced fast enough to be ready for use when the tube is ready.

The Board also agreed that if permission is given to construct the pipeline out of seamless tube, the situation in regard to plate will be reviewed by SPAB next spring.

It will be noted that the announcement of SPAB does not prohibit the use of seamless tubes. The Oil Coordinator Office has been informed that priority for seamless tube would be available. However, construction with seamless tube is a complicated and slow matter.

Vf·719. Explanation of steel priorities. At the Priorities Division's conference with trade magazines and newspapers on August 26, 1941, Mr. Stanley Adams, of the Priorities, discussed the priority system for steel as follows:

I will briefly run over what we are trying to do in the steel branch with relation to the steel industry and give you some ideas of how we think that it affects the country as a whole.

In the first place, we can start out with the premise that there is definitely a shortage of pig iron in this country; that is, the demand for pig iron in any one month is greater than the total available producing capacity. Their estimates run all the way from three or four hundred thousand up to seven hundred thousand tons of pig iron a month.

May I say that we don't actually know what the shortage is on the basis of an estimate as yet, but that we will know because under our pig-iron order, which I will explain briefly to you, we are getting information upon that demand; and we will know how much we can take care of and how much we can't take care of.

As pig iron is the primary substance which is used in the steel industry and as pig iron is probably the one single metal in this country that affects as many people economically, it affects the world economically as much as any other, why we started out on the premise that it was the first thing we would have to handle. So on that basis we developed, and there was issued, a mandatory order on pig iron. That order is commonly known as M-17 in the parlance of the Office of Production Management, and that order puts the control of the flow of all pig iron in the hands of the Director of Priorities; that is, there is not one pound of pig

iron that can be produced and shipped after the first of September unless it is approved by the Director of Priorities.

Now, briefly, for the mechanics of the thing. The Iron and Steel Branch, of which I am one of the members, administers the order. We handle all the allocation of the pig iron; we handle any problem to do with pig iron. We approve the schedules; on the basis of our approval down the line through committees it eventually is brought up to the head of our branch, and he either approves it or disapproves. Then it goes to the Director of Priorities, for a final approval.

In this pig-iron order we have had some problem come up to us whereby foundries other than steel foundries had to fill defense orders, and they could not get pig iron. I don't know whether you gentlemen understand it or not, but the total production of pig iron in this country amounts to about 57,000,000 tons a year and about 50 million or more of that pig iron is produced by companies which are called integrated steel companies.

They use it for steel, and in normal times sell it on the market as merchant iron. It depends upon the other merchant group which represents less than 7 million tons total capacity to take care of all other demands except the steel business.

At the present time, the total demand for pig iron in this country by the steel industry alone is greater than the total available capacity of pig iron. So that right off the bat we have a problem where anybody that wants pig iron for other than making steel, if the steel people could have all they wanted, there still wouldn't be enough for the steel people.

For that reason, we have to, on a defense basis, primarily take care of all the pig-iron requirements, that is, for other than steel making.

Because of the fact that the situation was getting very serious with the distribution of pig iron for defense, and it was particularly serious with regards to this Eastern market—we will call the Eastern market from Boston to Richmond, Va., and west as far as Harrisburg, Pa.—these steps had to be taken.

After we got the pig-iron order issued, we thought the next thing that we should do was to issue an order on steel.

So we issued what we call our mandatory order on steel, and that is the order called M-21. That is the order of which there has been a great deal of discussion of late. It was issued on the 9th of this month. In this steel order we in the steel branch are attempting to handle an industry on probably a little different technique than we think has been attempted in any of the other industries. This steel order is as broad as possible as it is to write any order as far as mandatory control; that is, with our pig iron order and steel order, to all intents and purposes, the Government controls the flow of all that material absolutely.

Under the steel order we are attempting to do three different things. The first thing we are trying to do is, we are trying to classify all the distribution of steel on some practical basis; that is, we want to find out where the steel is going, who is getting the steel. Up to this time, until the issuance of this order, any information we had on the subject was very vague. I say that advisedly. It was extremely vague. With that in mind we issued—we require every purchaser of steel as defined under this order to fill out a form which we called PD-73; and on that form we allow everybody to group himself as to a group classification, of which there are eight; and we allow him to classify himself as to the products which he buys under this group classification of 26 items.

Now, all you gentlemen have probably looked at this group classification, and I reiterate again, and this is definitely for publication, that it is not to be construed that these group classifications are preference ratings. It has nothing to do with preference ratings whatsoever. It so happens that the way we set up these groups—by nature we set up some of them that are defense groups, and we set up some that are definitely nondefense groups; and because a defense group is recognized as a group under which priority action is taken, there are groups where all the orders in that group may be preference rated orders. But that is only to determine where the steel is going to go. It has nothing to do with preference ratings.

The steel producer is anyone who makes steel as defined. I had the question come up where the fellow says, "We are not a producer of steel. All we do is buy the steel and make

Copyright, October 17, 1941, The Research Institute of America, Inc.

a forging out of that." I said, "You want to understand that you are a producer as it is defined here."

Anybody that turns out a product which comes under this definition automatically comes under this order, and so to all intents and purposes he is a producer. A nonintegrated plant that makes cold bars by buying hot bars is not in the true sense of the word a producer of steel; that is, he is not a steel melter. But as far as this order is concerned he is actually a producer of steel—as far as the terms of this order go, and those are the people that we want to include in this order.

All those included, in this order that receives all this information from their customers are going to submit monthly reports to us, and those monthly reports cover their shipments for, let us say—the report we get in September, for example. In September we will get a report from all steel producers, and all those steel producers will give us a report on the tonnage that they shipped in August. They will give us a report on the projected schedules for September.

They will give us a further report on the projected schedule for September and a further report on the total backlog they have on their books other than that on the basis of these 8 classifications vertically and these 26 classifications horizontally. That seems like a big job. Except for the fact that we changed the classifications and added a few product classifications, it is something that the steel industry has been doing for years. All we have done is change it a little bit so that it fits our picture.

Now, after we receive this information, we have broad powers under this order which allows us to direct or to allocate or to place steel with regard to any product or any group of products with any mill or producer or any group of mills or producers.

We also have the power under this order to say which order a mill takes and which orders come out of the mill first. In other words, it gives us the power which is necessary at this time if we are to get the maximum production in the steel industry. It gives us the power to, as we say, freeze a schedule on a mill; that is, we can tell a mill for the next 4 weeks what he can roll.

Now, it is the administration of these two orders, in order to tie them up with defense, that are the problems we have. Let me give you an example of some of the things that we are up against right today because it might be of interest to you.

There is an available plate capacity in this country, I think, of around 6,000,000 tons. For the sake or argument let's call it 6,000,000 tons or 500,000 tons a month. At the present time, based upon orders on the books of the steel companies that are definitely defined as defense tonnage for plates, which includes Army, Navy, Maritime, railroads, and other defense projects, is better than 90 per cent of the total tonnage. Now, we come along with the pipe line that we are going to build from Texas to New York, and that pipe line requires 430,000 tons of steel for pipe that is 22 inches in diameter and 24 inches in diameter. There are only 2 companies in the country that can make 22- and 24-inch pipe. One is the A. O. Smith Co., and the other is the National Tube Co. The National Tube Co. makes it as seamless tubing; the A. O. Smith Co. as welded pipe line or tubing. If we put a schedule on the delivery of this type, that means that it will take the combined capacities of the National Tube Co.'s plant and of the A. O. Smith Co.'s plant running on this order alone for 14 weeks to get that out and that every other order that they have on their books for any pipe of this size would have to go beside the board.

In doing that the National Tube Co. will use billets, but the A. O. Smith needs plates. They will need approximately 300,000 tons of plate. Three hundred thousand tons of plate for the next 14 weeks represents 18 per cent of the total available rolling-mill capacity for plates in this country. So immediately that you put that tonnage on the plate mills you have automatically about 110-per cent defense orders to be delivered in the next 14 weeks against 100-per cent capacity, and it leaves absolutely nothing at all for anything but defense.

Now, as you increase the length of time that you have for that plate you decrease the amount of plates you need because then the fellow that makes the piping out of billets can use more billets and you can use more in the billet forms and you can relieve the plate mills for something else. We can take the concrete bars, and we have identically the same situation.

We have a peculiar situation in the steel industry. While the defense program probably doesn't want more than 35 or 40 per cent of all the steel, it wants it in specific products; and those specific products happen to be heavy forgings, and they happen to be electric furnace steel, and they happen to be plates, and they happen to be structural material and concrete reinforcing. They don't want a lot of sheets. They don't need a lot of wire. They don't need a lot of pipe as pipe. But because of the fact that they need these products and that the available rolling-mill capacity is always greater than the available steel-making capacity, as you fill up these certain lines and they hog all the ingots, there are not many ingots left to make sheets and make wire and other products.

Now, you can see our problem is a very simple one. All we have got to do is to take all the steel that we have in plates and give all the plates that we can make in 1 month to the Maritime Commission and give all the plates that we can make in 1 month to the Navy and all the plates that we can make in 1 month to the railroads and all the plates that we can make in 1 month to the pipe-line people, and everybody is satisfied. While it sounds ridiculous, it is almost that bad. All these groups need this material; and they need it at this time; and we haven't got the steel to give them.

I would like to give you an idea about the lend-lease program which you might be interested in. We have also a definite shortage of scrap in this country. I have heard many men in the steel industry, and these are men that really run the steel industry, make the statement that dollars will not buy scrap in this country today; that is, that while you might raise the price and you might get a little more additional scrap, the fact still remains that there is a definite shortage of scrap in this country. Now, we have an obligation under the lend-lease to give a considerable amount of semifinished material and pig iron and scrap to lend-lease countries. That is our obligation, and I think we are all agreed that that is what we should do. That is defense the same as the Army and Navy are defense. Every time we put any more steel in that category that immediately affects all that is left on this side. I could go on and reiterate this thing on and on, and that is what our main problem is in the steel section.

Question. Did I understand you to say that a forger who buys steel and forges a product is a producer under the order?

Mr. Adams. Right. At the present time a man that buys raw steel—and most of the raw forgers buy bar stock, if I am not mistaken, or plate stock—and he cuts that up and makes rough forgings out of it he comes under the steel order. His customers have to fill in the PD-73.

Vf·720. Questionnaire on nickel bearing steel. The questionnaire on nickel bearing steel is discussed at ¶ Vf·2,214.

Vf·721. OPM answers questions regarding filing of PD-73. According to Iron Age magazine the following are the questions most frequently asked OPM concerning Form PD-73 and the answers provided by OPM.

When shall I file PD-73 for orders placed AFTER Sept. 1?

On all orders placed after Sept. 1, Form PD-73 shall be filed with the producer when the order is placed.

What about orders placed BEFORE Sept. 1?

On all orders placed prior to Sept. 1, with deliveries to be made after Sept. 1, Form PD-73 shall be filed with the producer on or before Oct. 15. (However, we [The OPM] are earnestly requesting that every purchaser of steel file with his producer, as soon as possible, PD-73 to cover all orders placed prior to Sept. 1. We are asking for all customers' cooperation in this matter, because we are demanding that the steel producers give us a report covering their September shipments on the basis of the group classifications, and it will be necessary for the producers to have the proper classifications on orders placed prior to Sept. 1, if they are to give us a true picture of their shipments for the month of September.)

Copyright, October 17, 1941, The Research Institute of America, Inc.

Who files on shipments direct to a customer of a warehouse?

Where steel is shipped by a producer direct to a customer of a warehouse or jobber, Form PD-73 is to be filed with the producer by the customer, not by the warehouse or jobber.

How many orders will one Form PD-73 cover?

A customer may file one Form PD-73 to cover more than one order placed on the same date with a producer if all material is for the same group classification.

How many forms does a warehouse file?

A warehouse may file with a producer a single Form PD-73 covering all orders in a single group classification placed with such producer during any calendar month. Each such Form PD-73 must be filed with the producer on or before the fifth day of the following month. A similar procedure may be followed when the purchaser is the United States Army or Navy.

Who files on export orders?

On export orders (except Canadian) now on the books of a producer or placed prior to Dec. 1, 1941, Form PD-73 may be filed by the accredited agent or export division of the producer in the United States. On orders placed on or after Dec. 1, Form PD-73 must be filed by the purchaser with his order.

Do I file if I buy seconds?

All purchases of steel, seconds as well as primes, are to be reported on Form PD-73.

How long do I have to keep my records?

Records must be preserved for at least two years by all persons affected by the order. This includes purchasers as well as producers.

Where do I list products whose ultimate use is not clearly defined?

Producers of steel who cannot clearly identify the ultimate use of the material under groups A to G, inclusive, will class these orders under Group H. For example, a person who buys steel to produce "off the shelf" products and cannot determine the ultimate destination of these finished products, and also is not covered by the Defense Supplies Rating Plan, or other orders issued by the Director of Priorities must classify his purchases under "H." A statement from a purchaser of steel that a large percentage of his finished products are used in defense, or that they expect to obtain a preference rating in the near future, cannot be used to classify the customers' orders on Forms PD-73. Such orders would be classified in "H."

How does a customer qualify under Group A as defined in Form PD-73?

The customer must furnish to the producer a PD-3 certificate. He, also, may furnish either a photostatic copy of an Army or Navy order which would place him in Group A and give him an A-10 preference rating or other evidence that might satisfy the producer as to the defense nature of the order.

How does a customer qualify under Group B as defined in Form PD-73?

By furnishing the steel company with a PD-4 certificate. He may also submit a photostatic copy of the order which would give him an A-10 rating or other satisfactory evidence proving the defense nature of his order.

Vf·722. Difference between alloy iron and iron alloys. Supplementary Order No. M-21-a issued by the Division of Priorities on September 16 relates to "Alloy Iron, Alloy Steel and Wrought Iron."

Some misunderstanding has arisen as to what is meant by "alloy iron."

The Iron and Steel Section of the Office of Production Management said today that alloy iron as used in the order does not include ferro-alloys, as has been assumed in some quarters.

Alloy iron as used in the order means iron castings containing any one or more of the alloying elements mentioned in the order in excess of the percentages fixed.

Vf·723. Steel rating for wild-cat oil wells. Robert E. Allen, Director of Defense Oil Production, announced on October 11, 1941, that steel for oil field equipment has been placed at the top of the priority list. He stated that it would be used in drilling 30,000 wild-cat wells and developing larger reserves which it is hoped by Washington officials will increase potential export strength to 5,000,000 barrels of oil daily.

Vf·724. Priorities for steel warehouses. An amendment to Preference Rating Order M-21-b, which covers steel warehouses, was issued October 14, 1941, by the Director of Priorities to assist those warehouses which have been unable to make satisfactory reports. The original order prohibited deliveries after October 5, 1941, to warehouses which had not been assigned quotas on the basis of their reports of deliveries during the first quarter of 1941. Because many of the reports received by the Iron and Steel Branch of OPM had to be returned for correction, the warehouses which submitted them were assigned quotas.

The amendment extends the date after which such warehouses may not accept deliveries, from October 5 to October 31, 1941. The amendment, however, provides that no shipments are entitled to the A-9 preference rating established by Supplementary Order M-21-b, unless a quota and a rating certificate have actually been issued.

Vf·725. Text of amendment of October 14, 1941 to Supplementary Order M-21-b. The following is the text of the amendment of October 14, 1941, to Supplementary Order M-21-b, issued October 14, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 962—STEEL

Amendment to Supplementary Order M-21-b

(a) Paragraph (b) (i) of Section 962.3 (Supplementary Order M-21-b) is hereby amended to read as follows:

"After October 31, 1941, no Warehouse shall accept from a Producer any delivery of steel on consignment or otherwise until a quota has been established for such Warehouse, pursuant to paragraph (c), and no such delivery shall be made or accepted within the limits of such quota."

(b) This amendment shall take effect immediately.

(P.D. Reg. 1, Aug. 27, 1941, 6 F.R. 4489; O.P.M. Reg. 3, March 8, 1941, 6 F.R. 1596, as amended Sept. 12, 1941, 6 F.R. 4865; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; sec. 9, Public No. 783, 76th Congress, Third Session.)

Issued this 14th day of October, 1941.

DONALD M. NELSON, *Director of Priorities.*

Copyright, October 30, 1941, The Research Institute of America, Inc.

Vf·726. Small warehouse dealers under Supplementary Order M-21-b. A plan to help small distributors of certain merchant steel products, including those jobbers and hardware dealers who are warehousers within the terms of Supplementary Order M-21-b, was issued on September 26, 1941, by the Iron and Steel Section of the Priorities Division. The plan is based on a formula which will govern shipments of the merchant products listed to steel warehouses during the months of October, November and December, 1941. It is set forth in a directive which lists certain steel products widely sold by warehouses and stipulates the quantities of those products which may be delivered to them during the coming calendar quarter. The order governing steel warehouses defines a warehouse as "any person who receives physical delivery of steel from a producer for sale or resale in the form received." This definition includes certain hardware stores, dealers and jobbers who buy from producers. These small business firms, therefore, will be able to get the merchant products listed—such as wire and nails—with the assistance of the plan.

In all cases covered, the rated shipments to be made in the October-December, 1941 period are lower than the quantities shipped by the same producers to the same warehouses for the similar period of 1940, although total shipments to the warehouses may be as high as 110% of 1940 shipments if these higher deliveries do not conflict with the fulfillment of defense orders by producers. In other words, the shipments facilitated by a preference rating are lower than those received by the warehouses in 1940 but higher shipments can be made if the material is available. The rated shipments permitted under the directive will carry ratings of A-9.

The formula announced in the directive applies only to shipments of the so-called merchant products listed. Quotas for the delivery of other steel warehouse products are to be prepared and distributed to the industry.

The major purpose of the steel warehouse plan is to provide assistance to the thousands of warehouses which perform an important service in the distribution of small quantities of steel to all kinds of customers, many of them engaged in defense work. These warehouses had been experiencing some difficulty in obtaining adequate supplies but the new plan grants definite quotas so that these distributors may receive the products they need.

Vf·727. Text of directive on warehouse shipments. The following is the text of the directive fixing the quotas for certain warehouse shipments, issued September 26, 1941:

September 26, 1941

DIRECTIVE WITH RESPECT TO CERTAIN WAREHOUSE SHIPMENTS
TO ALL PRODUCERS OF STEEL:

Dear Sirs:

Pursuant to the provisions of General Preference Order M-21 and Supplementary Order M-21-b, it is deemed advisable to establish a rated quota for certain types of steel products distributed through Warehouses, including those products commonly referred to as "merchant products." This will be done as follows:

(1) Until further notice, for each calendar quarter, beginning October 1, 1941, a preference rating of A-9 is hereby assigned to deliveries to be made by a producer to any Warehouse

(as defined in Supplementary Order M-21-b), now conducting business as a Warehouse, of each of the product classes listed below, in an amount not to exceed the percentage indicated below of such class of products delivered by you to such Warehouse during the corresponding calendar quarter of 1940. Deliveries in excess of this rated quota may be made to any Warehouse, but only after you have filled all other orders bearing a preference rating, provided the total deliveries to that Warehouse, including deliveries under the rated quota established above, shall not be more than 10 percent in excess of the total amount of such class of products delivered by you to said Warehouse during the corresponding calendar quarter of 1940.

Steel Product Classification	*DESCRIPTION*	*% of 1940 shipments eligible for A-9 rating*
8	Hot Rolled Concrete Reinforcing Bars (unfabricated)	80
11 (In Part)	Pipe and Tubes (all kinds except mechanical and pressure tubing)	80
13	Wire and wire products, including fence posts (Includes wire, woven wire fence, barbed wire, nails and staples, bale ties, fence posts and gates)	70
15	Tin and Terne Plate	70
18	Galvanized Sheet and Strip	50

The tonnage of each of the above classes of products which you may deliver to any Warehouse under the A-9 rating shall be reduced in each quarter by the tonnage of such class of products delivered by you to such Warehouse during that quarter under any higher rating. In those cases where the total quantity of steel of all classes named above to which any Warehouse may be eligible for a rating of A-9 in any calendar quarter is less than 40,000 pounds, but more than 20,000 pounds, the rating shall be considered to apply to all of such delivery to be made to such Warehouse up to 40,000 pounds.

The quotas thus established are for each calendar quarter, and steel not shipped to a Warehouse in any quarter under the quota provided for that period may be delivered in a subsequent quarter only if it is deducted from the quota for the subsequent period.

(2) You are further directed to file with the Office of Production Management, Iron and Steel Branch, Attention: Mr. J. R. Stuart, on or before January 15, 1942, and quarterly thereafter, a statement showing

(a) the name and address of each Warehouse to which you made deliveries of any of the above products during the preceding calendar quarter.

(b) the tonnage of each such product delivered to each such Warehouse during that quarter, and

(c) the tonnage of each such product delivered to each such Warehouse during the corresponding calendar quarter of 1940.

(3) You are required to send a copy of this letter to each Warehouse to which you shipped any of the above listed products during 1940. No quotas for these products will be assigned by the Director of Priorities on Form PD-83-a, and no reports on Form PD-83-a or PD-83 need be filed by a Warehouse which does not handle any steel products other than those listed above.

Very truly yours,

.....

DONALD M. NELSON, *Director of Priorities*

.....

A. D. WHITESIDE, *Chief, Iron and Steel Branch.*

Copyright, October 30, 1941, The Research Institute of America, Inc.

Vf·728. Form PD-83—monthly steel warehouse report. The following is the text of Form PD-83 which constitutes the monthly steel warehouse report:

FORM PD-83—MONTHLY STEEL WAREHOUSE REPORT

PD-83 **(This Form May Be Reproduced Only in the Same Size and Format)**

OFFICE OF PRODUCTION MANAGEMENT
WASHINGTON, D. C.

STEEL WAREHOUSE REPORT FOR THE MONTH ENDING _____, 194__

_____ _____
(Name of warehouse) (Address)

Please read carefully all instructions on the reverse side before executing this report. Report all figures to the nearest $\frac{1}{10}$ (0.1) net ton.

Submit this report in duplicate, for each calendar month for each warehouse owned, on or before the 15th day of the month following that for which report is made, to the Iron and Steel Branch, Office of Production Management, Washington, D. C.

SCHEDULE A		WAREHOUSE SHIPMENTS TO CUSTOMERS				RECEIPTS FROM PRODUCERS		QUOTA FOR THIS QUARTER	INVENTORY END OF QUARTER	
PRODUCT CLASSIFICATION	TYPE OF STEEL	Army-Navy Maritime, U. S. Agencies	All Other A Ratings	All Other Orders	Total Shipments During Month	Month Reported	Quarter to End of Month Reported	In Tons	Owned	Consigned
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1. Ingots, blooms, billets, slabs, tube rounds and sheet and tin bars.	Carbon									
	Stainless									
	Alloy									
2. Structural shapes and piling	Carbon									
3. Plates (universal and sheared)	Carbon									
	Stainless									
	Alloy									
4. Rails—Over 60 pounds	Carbon									
5. Rails—All other	Carbon									
6. Tie plates, track spikes, splice bars, and rail joints.	Carbon									
7. Hot rolled bars, including hoops and bands	Carbon									
	Stainless									
8. Hot rolled bars, concrete reinforcing	Carbon									
9. Hot rolled bars	Alloy									
10. Cold finished bars	Carbon									
	Stainless									
	Alloy									
11a. Pipe (merchant, line, and oil country)	Carbon									
11b. Tubes (mechanical and pressure)	Carbon									
	Stainless									
	Alloy									
12. Wire rods	Carbon									
	Stainless									
	Alloy									
13. Wire and wire products (include wire, woven fence wire, barbed wire, nails and staples, bale ties, fence posts and gates).	Carbon									
	Stainless									
	Alloy									
14. Black plate	Carbon									
15. Tin and terne plate (hot rolled and cold reduced).	Carbon									
16. Sheets and strip, hot rolled	Carbon									
	Stainless									
	Alloy									
17. Sheets and strip, cold reduced	Carbon									
	Stainless									
	Alloy									
18. Sheets and strip, galvanized	Carbon									
19. Sheets and strip, all other	Carbon									
	Alloy									
20. Tool steel bars (includes high speed steel).	Carbon									
	Alloy									
21. Wheels and axles	Carbon									
	Alloy									
22. Forgings, armor plate, and ordnance	Alloy*									
22. Forgings (include all rough but no finished forgings).	Carbon									
	Alloy									
24. Steel castings (include all rough but no finished castings).	Carbon									
	Alloy									
25. Skelp	Carbon									
	Alloy									
26. All other	Carbon									
	Stainless									
	Alloy									
TOTALS										

The undersigned certifies that: (1) He executed this report on behalf and by the authority of the above-named warehouse; (2) during the period covered by this report, except as permitted by paragraph (f) of Supplementary Order No. M-21-b, the warehouse has made no deliveries of alloy or stainless steel from its stock except on defense orders; (3) the facts stated herein are to the best of his knowledge and belief true and correct.

_____ _____
(Date) (Signature and title of authorized official)

Section 35(a) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—43048

BOTH SIDES OF THIS FORM MUST BE EXECUTED

(See Form PD-83-d for Classification Instructions)

SUMMARY OF TOTAL SHIPMENTS TO CUSTOMERS

SCHEDULE B	MONTH COVERED BY THIS REPORT					QUARTER TO END OF MONTH REPORTED	
GROUP CLASSIFICATION	CARBON	STAINLESS	ALLOY	TOTAL TONNAGE	%	TOTAL TONNAGE	%
A. Army—Navy							
B. Maritime—U. S. agencies							
C. Lend-lease							
D. Priorities Division							
E. Other export							
F. Warehouses							
G. Civilian supply							
H. All other							
Total analyzed shipments							
Total unanalyzed shipments							
TOTAL SHIPMENTS					100.0		100.0

INSTRUCTIONS FOR FORM PD-83

A. GENERAL:

(1) This form is prescribed pursuant to the provisions of section (e) of General Preference Order M-21, to Conserve the Supply and Direct the Distribution of Steel, issued August 9, 1941.

(2) Supplementary Order M-21-b defines a warehouse as "any person who receives physical delivery of steel from a producer for sale or resale in the form received." This report must be filed in duplicate monthly for each such warehouse, unless specifically exempted by the Director of Priorities. Failure to receive this report promptly may result in a suspension of your preference rating.

(3) Include in the report all steel in rolled, drawn, or cast form as received from a producer through outright purchase or on consignment. Fabricated items of all kinds should be omitted. Report all figures to the nearest $\frac{1}{10}$ (0.1) net ton. Do not report direct shipments from a producer to your customer. In reporting Shipments and Receipts, do not include items "picked up" from other warehouses for delivery to your customer.

(4) Warehouses which also maintain a fabricating department should report only that steel received into stock and shipped therefrom in the form received. The quarterly inventory, however, should include all steel on hand not "in process."

B. SPECIAL—SCHEDULE A:

Column 2—**Type of steel.**—"Alloy Steel" means any steel, including alloy iron, containing any one or more of the following elements in the following amounts: Manganese in excess of 1.65 percent, silicon in excess of 0.60 percent, copper in excess of 0.60 percent, or aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, zirconium, or any other alloying element in any amount specified or known to have been added to obtain a desired alloying effect. "Stainless Steel" means alloy steel commonly referred to as "stainless," including heat and corrosion-resisting alloys. "Carbon Steel" means all other steel not included in alloy or stainless.

Column 3—**Army-Navy, Maritime, U. S. agencies.**—Include products delivered to or for the account of the Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, and the Office of Scientific Research and Development. (Include in this column PD-3 and PD-4 Preference Rating Certificates, and direct contracts from the Army or Navy or from the various Government agencies listed.)

Column 4—**All other A-ratings.**—Include products delivered to or for the account of the Government of Great Britain and the Government of any other country whose defense the President deems vital to the defense of the United States, and contracts, commitments, or orders to which the Director of Priorities assigns a preference rating of A-10 or higher. (Orders placed by the Procurement Division, United States Treasury, which bear the symbol "DA" on the order form, and all PD-2 Preference Rating Certificates or blanket ratings issued by the Priorities Division and all other defense orders as defined in General Preference Order M-21 which are not included in column 3 should be reported here.)

Column 5—**All other orders.**—Include products exported from the United States and not included under column 4, deliveries to other warehouses for resale by them, products delivered under any Civilian Allocation program which may be determined by the Director of Civilian Supply, and all other shipments made to customers from stock not included in columns 3 and 4.

Column 6—**Total shipments during month.**—The total shipments from stock of each type of steel (carbon, stainless, or alloy) for each product classification made during the month reported should be entered here. The totals in column 6 should represent the sum of columns 3, 4, and 5.

Column 7—**Receipts from producers—month reported.**—In this column show the total of each type of steel (carbon, stainless, or alloy) for each product classification received at your warehouse from all producers during the month reported.

Column 8—**Receipts from producers—quarter to end of month reported.**—In this column show the cumulative total of each type of steel for each product classification received at your warehouse from all producers during the calendar quarter to the end of the month preceding the filing of this report. For example, on the report submitted December 15, the receipts of Structural Shapes and Piling (carbon) for the months of October and November should be totaled and entered here.

Column 9—**Quota for this quarter.**—In this column show your quarterly quota for each product classification by type of steel as established by the Office of Production Management. Include quotas established on Form PD-83-a and your quotas established by letter to producers for certain types of merchant steel products distributed through warehouses.

Columns 10 and 11.—In these two columns show the inventory of each type of steel for each product classification owned or held on consignment *on hand* at the end of the last month in each calendar quarter. No figures need be entered in these two columns except on the reports submitted October 15, January 15, April 15, and July 15.

C. SPECIAL—SCHEDULE B:

Each warehouse must analyze not less than 85 percent by weight of each type of steel (carbon, stainless, and alloy) with respect to the eight customer groups listed (A-H). Purchasers of steel who cannot clearly identify the ultimate use of the material under groups A to G, inclusive, will class these orders under group H. For example, a person who buys steel to produce "off the shelf" products and cannot determine the ultimate destination of these finished products, and also is not covered by the Defense Supplies Rating Plan, or other orders issued by the Director of Priorities must classify his purchases under "H." A statement from a purchaser of steel that a large percentage of his finished products are used in defense, or that they expect to obtain a preference rating in the near future, cannot be used to classify the customers' orders in any group except "H."

Total analyzed shipments.—The totals appearing on this line shall represent the sum of groups A to H, inclusive, but not less than 85 percent of "Total Shipments."

Total unanalyzed shipments.—On this line show the tonnage for each product classification which has not been analyzed with respect to the eight customer groups. The totals appearing on this line must not exceed 15 percent of "Total Shipments."

Total shipments.—On this line show the sum of the two preceding lines. The totals appearing here should represent 100 percent of deliveries from stock to customers for each type of steel (carbon, stainless, and alloy) during the month reported.

Copyright, November 6, 1941, The Research Institute of America, Inc.

Vf·729. Form PD-83b—steel warehouse preference rating certificate. The following is the text of Form PD-83b which constitutes the steel warehouse preference rating certificate:

Form PD-83b—STEEL WAREHOUSE PREFERENCE RATING CERTIFICATE

PD-83b, 9/24/41—This form may be reproduced in accordance with provisions of Paragraph 2 of the Director of Priorities' letter to Steel Warehouses dated September 2, 1941.

OFFICE OF PRODUCTION MANAGEMENT

DIVISION OF PRIORITIES

Washington, D. C.

Serial No. WH-.....

STEEL WAREHOUSE PREFERENCE RATING CERTIFICATE

To All Producers of Steel:

Pursuant to the provisions of Supplementary Order M-21-b dated September 2, 1941, a preference rating of A-9 is hereby assigned to deliveries of steel to

within the limits of the quota which has been assigned to said Warehouse. Unless sooner revoked, this Certificate shall remain in effect until the expiration date of Supplementary Order M-21-b.

....

Date Issued DONALD M. NELSON, *Director of Priorities.*

NOT VALID UNLESS SIGNED

Vf·730. PD-83d, classification for steel warehouse and PD-83a, warehouse report. The text of Forms PD-83d and PD-83a will be found at ¶s Vf·716 and Vf·717 respectively.

Vf·731. Form PD-99—statement of monthly capacity. The following is the text of Form PD-99 which constitutes the statement of monthly capacity, allocation and production schedule of steel:

PD-99
Consolidated Company Report

OFFICE OF PRODUCTION MANAGEMENT
Iron and Steel Branch
Washington, D. C.

CONFIDENTIAL
for use of Federal
Defense Agencies only

Statement of Monthly Capacity, Allocation and Production Schedule of Steel (Net Tons) from producers of the Steel products covered by General Preference Order M-21

(See reverse side for detailed instructions)

Company _____ Month _____

Total Monthly Capacity (Ingots and Castings) as of the end of preceding month _____ Net Tons
Total Production of Ingots and Castings during preceding month _____ " "
Total Production of Ingots and Castings Scheduled for this month _____ " "

PRODUCT	Maximum Monthly Capacity (A) See Note	Monthly Capacity (B) See Note	Scheduled Production in Month (C) See Instructions	Proposed Disposition of Tonnage under Column (C)			
				For Conversion into "Other Fin. Products" listed in block 2 (D) See Instructions	Balance for Shipment (E) See Instructions	For use by other manfg. depts. or subsidiaries (F) See Note	For Shipment to Trade (G) See Instructions
(1) Hot Rolled and Other Products							
Ingots, Blooms, Billets, etc. for sale (1)	XXX			XXX			
Tube Rounds							
Skelp (Other than Plate Mill)							
Wire Rods							
Tool Steel							
Structural and Piling							
Rails (All)							
Splice Bars and Tie Plates (Finished)							
Plates and Skelp (Sheared)							
Plates and Skelp (Universal)							
Sheets and Strip, Hot Rolled							
Strip for CR Tin, Terne & Black Plate							XXX
Black Plate for HR Tin, Terne & Black Plate							XXX
Bars - Alloy							
Reinforcing							
All other							
Wheels and Axles (Finished)							
Ingots for Forgings							
Blooms & Billets for Forging							
Steel Castings and Rolls (2)							
Total Block (1)	XXXX						
(2) Other Finished Steel Products							
Pipe-(BW) (3)							
" (LW) (3)							
" (EW) (3)							
" (Seamless) (4)							
Wire-Plain (5)							
" Barbed (5)							
Wire Fence (6)							
Wire Nails (6)							
Wire Bale Ties (6)							
Wire Rope & Strand (6)							
Tin, Terne and Black Plate (CR) (7)							
Tin, Terne and Black Plate (HR) (8)							
Sheet and Strip (CR) (9)							
Sheet and Strip (Galv.) (9)							
Bars - Cold Finished (10)							
Forgings-Armor and Ordnance (11)							
All other incl. ship shaft (11)							
Total Blocks (1) and (2)	XXX	XXX					
Less total of column D, required for conversion into products listed in block 2	XXX	XXX		XXX	XXX	XXX	XXX
NET TOTAL FOR SHIPMENT	XXX	XXX		XXX			

NOTES: Column (A) Maximum rolling and finishing capacity for each product, regardless of amount of steel available (See Instructions)
Column (B) Monthly capacity based on your total steel capacity and steel available from other sources. (See Instructions)
Column (F) Include schedule of shipments to other manufacturing departments such as: fabricated structural and plate; steel furniture; shipbuilding and ship repairing; railroad and mine car and barge building; frogs, switches, mine ties and other track accessories; bolts, nuts and rivets, etc. (See Instructions).

(1) Includes Ingots, Blooms, Billets, Slabs, and Sheet Bars.
(2) Produced from steel for castings.
(3) Produced from skelp and plates.
(4) Produced from tube rounds.
(5) Produced from wire rods.
(6) Produced from wire.
(7) Produced from strip.
(8) Produced from hot rolled black plate.
(9) Produced from hot rolled sheets and strip.
(10) Produced from bars and wire rods.
(11) Produced from forging ingots, blooms, billets, and bars.

To be returned to the Iron and Steel Branch, Office of Production Management, Washington, D. C, on or before the 6th of the reporting month.

_____
Name and Title of Officer Reporting

_____
Date

Copyright, November 6, 1941, The Research Institute of America, Inc.

Vf·732. Form PD-100—statement of monthly capacity. The following is the text of Form PD-100 which constitutes the statement of monthly capacity, allocation and rolling schedule of steel:

FORM PD-100—STATEMENT OF MONTHLY CAPACITY, ALLOCATION AND ROLLING SCHEDULE OF STEEL

PD-100
Plant or District Report

OFFICE OF PRODUCTION MANAGEMENT
Iron and Steel Branch
Washington, D. C.

CONFIDENTIAL
for use of Federal
Defense Agencies only

Statement of Monthly Capacity, Allocation and Rolling Schedule of Steel (Net Tons) from producers of the steel products covered by General Preference Order M-21

Company _____ Plant or District _____ Month _____

Total Monthly Capacity (Ingots and Castings) as of the end of preceding month _____ Net Tons
Total Production of Ingots and Castings during previous month _____ " "
Total Production of Ingots and Castings Scheduled for this month _____ " "

PRODUCT		Maximum Monthly Capacity (A) See Note	Monthly Capacity (B) See Note	Scheduled Production in Month (C) See Instructions	Proposed Disposition of Tonnage Under Column (C)	
					For Conversion into "Other Fin. Products" listed in block 2 (D) See Instructions	Balance for Shipment (E) See Instructions
(1) Hot Rolled and Other Products						
Ingots, Blooms, Billets, etc. for sale	(1)	xxx				
Tube Rounds						
Skelp (Other than Plate Mill)						
Wire Rods						
Tool Steel						
Structural and Piling						
Rails (All)						
Splice Bars and Tie Plates (Finished)						
Plates and Skelp (Sheared)						
Plates and Skelp (Universal)						
Sheets and Strip, Hot Rolled						
Strip for CR Tin, Terne & Black Plate						
Black Plate for HR Tin, Terne & Black Plate						xxx
Bars - Alloy						xxx
Reinforcing						
All other						
Wheels and Axles (Finished)						
Ingots for Forgings						
Blooms & Billets for Forging						
Steel Castings and Rolls	(2)					
Total Block (1)						
(2) Other Finished Steel Products						
Pipe - (BW)	(3)					
" - (LW)	(3)					
" - (EW)	(3)					
" - (Seamless)	(4)					
Wire - Plain	(5)					
" - Barbed	(6)					
Wire Fence	(6)					
Wire Nails	(6)					
Wire Bale Ties	(6)					
Wire Rope & Strand	(6)					
Tin, Terne and Black Plate (CR)	(7)					
Tin, Terne and Black Plate (HR)	(8)					
Sheet and Strip (CR)	(9)					
Sheet and Strip (Galv.)	(9)					
Bars - Cold Finished	(10)					
Forgings-Armor & Ordnance	(11)					
All other incl. ship shaft.	(11)					
Total Blocks (1) and (2)		xxx	xxx			
Less total of Column D, required for conversion into products listed in block 2		xxx	xxx		xxx	xxx
NET TOTAL FOR SHIPMENT		xxx	xxx		xxx	

NOTES: Column (A) Maximum rolling and finishing capacity for each product, regardless of amount of steel available.
Column (B) Allocated capacity based on your total steel capacity and steel available from other sources.

(1) Includes Ingots, Blooms, Billets, Slabs, and Sheet Bars.
(2) Produced from steel for castings.
(3) Produced from skelp and plates.
(4) Produced from tube rounds.
(5) Produced from wire rods.
(6) Produced from wire.
(7) Produced from strip.
(8) Produced from hot rolled black plate.
(9) Produced from hot rolled sheets and strip.
(10) Produced from bars and wire rods.
(11) Produced from forging ingots, blooms, billets, and bars.

To be returned to the Iron and Steel Branch, Office of Production Management, Washington, D. C. on or before the 6th of the reporting month.

_____
Name and Title of Officer Reporting

_____
Date

Vf·733. Instructions for Forms PD-99 and PD-100. The following are the instructions to be used for Forms PD-99 and PD-100 which are required under General Preference Order M-21:

Instructions for Forms PD-99 and PD-100 Required Under General Preference Order M-21

All producers of carbon and alloy steel castings, ingots, blooms, slabs, billets, forgings, and all other semi-finished and finished rolled or drawn alloy steels as covered in General Preference Order M-21, issued August 9, 1941, by the Director of Priorities, are required to submit to the Iron and Steel Branch of the Office of Production Management these reports which call for maximum monthly rolling capacities, monthly allocations based on steel available, and monthly rolling schedules.

The first report, which will include the rolling schedule for October, should be submitted direct to this office not later than October 6, 1941. Thereafter, the reports will be required monthly not later than the 6th of the month.

The forms clearly illustrate the information required. It is obvious that the information called for must be compiled by individual plants or districts, and each company is therefore requested to attach to the consolidated report, a separate report for each plant or district. It will be noted that the forms are identical except that the last two columns on the consolidated form (PD-99) are omitted from the plant form (PD-100).

GENERAL INSTRUCTIONS FOR PREPARATION OF THE REPORT

(1) The products listed in block (1) follow closely the product classifications used in the American Iron and Steel Institute Directory and are self-explanatory. For sheets and strip, the total hot rolled tonnage is desired; for steel castings and rolls, the rough or finished weight, as the case may be, is desired.

(2) The products listed in block (2) are the *principal steel plant products* produced from the rolled products in block (1), and are not intended to include manufactured products, such as fabricated structural and plate material; shipbuilding and ship repairs; railroad and mine cars and barges; frogs, switches, railroad and mine ties and other track accessories; bolts, nuts, rivets, and spikes; flanged plates, etc. The rolled and other finished steel required for such items should be shown in column (F) in accordance with instructions in paragraph (8).

(3) Column (A): Maximum capacity should be stated in this column for *each* product, based on a 20 turn work week, regardless of the amount of steel available and without regard to the production of other products listed. In other words, what is desired is the maximum capacity to produce, considered from the standpoint of each individual product.

(4) Column (B): This monthly capacity figure should be based on your total steel capacity and steel available from other sources, and should be distributed to products on the bases usually used in planning and scheduling operations. The total of this column for block (1) *should not* be in excess of the tonnage which can be produced and shipped, based on yields currently being obtained. While no total is required for this column in block (2), the allocation figures should likewise not be in excess of the tonnage which you expect to produce based on steel available.

(5) Column (C): Insert in this column the schedule of production for the month in question. In this case also the total of this column for block (1) should not be in excess of what can be produced from the total expected production of steel based on yields currently being obtained. The estimates in block (2) should include production from steel produced by the reporting company and purchased from any source.

(6) Column (D): Insert in this column, under block (1), tonnages of products based on current yields which will be used in the production of the products listed in block (2) of Column (C). Under block (2) insert the tonnage of wire which will be converted into the wire products which are also listed in block (2) of Column (C).

Copyright, November 6, 1941, The Research Institute of America, Inc.

(7) Column (E): This is the difference between the totals of Columns (C) and (D), thus eliminating the duplications in Column (C).

(8) Column (F): Among the companies reporting are several who are also in other lines of business or have affiliates who are in other lines of business, such as: fabricated structural and plate work; flanged and dished plates; steel furniture; shipbuilding and ship repairing; frogs, switches, railroad and mine ties and other track accessories; railroad and mine car and barge building; bolts, nuts and rivets; etc. *Such companies* should insert in this column their monthly schedule of expected shipments by products to such manufacturing departments or companies and furnish on a separate report a list of such departments and companies with the tonnages scheduled for each, which report should check with the total of this Column (F). It should be noted that the plant form does not contain Columns (F) and (G), as this information is only required on the consolidated statement. It is obvious that the companies which are not in such lines of business will omit figures in these Columns (F) and (G).

(9) Column (G): This is the difference between Columns (E) and (F) and will reflect the scheduled available tonnage for shipment to the trade.

Vf·734. Pipe line priority aid refused by SPAB. After careful consideration of the issues raised by a potential shortage of petroleum as compared with the immediate impact of the construction of a pipe-line on defense and civilian production, the Price Administrator, on November 3, 1941, joined with the other members of SPAB in refusing to issue priorities for the construction of the proposed national defense pipe line.

Vf·735. Allocation-by-rationing to replace allocation-by-priority for steel. The Supply Priorities and Allocations Board announced that it has requested the Office of Production Management to develop an allocation-by-rationing system for steel. The iron and steel priorities system in effect under Order M-22 is a system under which (a) defense orders receive preference and (b) allocation is made to specified consumers under a preference rating certificate. The system under Order M-22 is not in the true sense an allocation system but a system of order preference. Genuine allocation systems are rationing systems under which specified lump sum amounts are allocated according to industries and split up according to products or projects. In this way a whole industry would receive a lump sum amount and would sub-allocate this lump sum amount to the different plants which would be reasonably sure of getting what they need.

Substantial steps in the direction of allocation have already been taken in the handling of orders for steel plate, and the system has also been in use for some time in regard to pig iron. Extension of this policy throughout the industry means that distribution of steel through priorities ratings will gradually be replaced by direct allocations with emphasis being placed first on those types of steel most in demand for defense purposes.

SPAB's action was taken after Army and Navy officials had pointed out that increasing problems in connection with deliveries of structural steel, nickel steel, high-speed steel, tool steel and steel plate for defense purposes could no longer be solved properly through the priorities system alone. Primary purpose of the step, of course, is to assure distribution of the available supply where it will do the most good. Operation of the existing priorities system does not provide an adequate check against hoarding and the accumulation of excessive inventories.

Furthermore, under priorities there is no simple way by which the armed services and civilian consumers may be assured that the nation's over-all steel production will be properly proportioned into the types of steel which are in greatest demand. This balancing of production would be achieved with service requirements in mind, so that the Army and Navy would be assured of an adequate flow of steel needed for defense. The allocation then could proceed industry by industry and product by product, in order that the nation's expanding steel capacity could be properly fitted to its expanding needs for steel.

Vf·736. General Preference Orders M-21, M-21-a, and M-21-b extended to December 31, 1942. General Preference Orders M-21, M-21-a, and M-21-b which were due to expire on November 30, 1941 were, on November 25, 1941, extended until December 31, 1942.

Vf·737. Chrome alloy deliveries restricted to better than A-10 ratings under amendment of November 25, 1941 to Order M-21-a. An amendment to Order M-21-a of November 25, 1941 prohibits the manufacture and delivery of alloy iron or steel containing 4% or more chromium except on A-10 or higher preference ratings, i.e., for genuine defense industry users. Except under a specific rating of A-10 or higher, or specific permission of the Director of Priorities, no producer may process beyond ingot, bloom, billet, sheet, bar or slab, or after December 1, 1941, deliver, any alloy iron or alloy steel containing 4% or more chromium. The Director of Priorities may issue directions allowing or forbidding specific deliveries of chrome alloy steel, and may issue other specifications in regard to chrome steel or any other alloy of steel. (See also Order M-18-a at ¶ Vf·2,008.) The following is the text of the amendment to Order M-21-a:

Amendment to Supplementary Order No. M-21-a

(a) Paragraph (c) of Supplementary Order M-21-a is hereby amended to read as follows:

"(c)(1) *Restrictions on Melting, Processing and Deliveries of Alloy Iron or Alloy Steel containing 4% or more of Chromium,* Except pursuant to a specific Preference Rating Certificate or Preference Rating Order carrying a preference rating of A-10 or higher and duly issued or extended to the Producer, or pursuant to specific written permission of the Director of Priorities.

(i) no Producer shall melt, or process beyond ingot, bloom, billet, sheet, bar or slab, and (ii) on and after December 1, 1941, no Producer shall deliver any alloy iron or alloy steel containing 4% or more of chromium.

"(2) *Directions as to Deliveries.* The Director of Priorities may from time to time issue directions, directing or forbidding specific deliveries.

"(3) *Directions as to Alloying Content.* The Director of Priorities may from time to time issue directions, specifying as to any alloying element the quantities and proportions which may be used in making alloy iron or alloy steel, and whether and in what proportions, any such element is to be the metal, a ferro-alloy, reclaimed metal, scrap, a chemical compound or any other material containing such element. Any person who shall violate any such direction, or any person who knowingly receives delivery of alloy iron or alloy steel in violation thereof, may be prohibited from making or receiving further deliveries of such material or subjected to such other action as the Director of Priorities may deem appropriate."

(b) This amendment shall take effect immediately.

Issued this 25th day of November, 1941. .....

J. S. KNOWLSON, *Acting Director of Priorities.*

Copyright, December 6, 1941, The Research Institute of America, Inc.

Vf·738. No extra copy of PD-73 for export sales. An additional copy of Form PD-73, previously required on export sales, no longer need be filed in such instances with OPM, the Director of Priorities announced November 28, 1941. The Office of Export Control, which had been receiving the additional copy, no longer requires it.

Vf·739. Saving of alloy metals effected by Amendment No. 2 to Order M-21-a. To effectuate the conservation of scarce alloying elements used in the production of iron and steel, an amendment to Order M-21-a has been issued effective December 20, 1941, prohibiting producers from melting any alloy iron or alloy steel containing specified alloying elements in specified amounts, except to fill orders with rating of A-10 or higher, or by special direction of the Director of Priorities. Effective January 1, 1942, is a prohibition of delivery of such materials save on the same terms, with an added proviso that the Director of Priorities may issue orders directing or forbidding specific deliveries. Under the terms of the amendment, the Priorities Director may also issue orders governing the amount of any alloy material to be used in the production of any alloy steel or iron. Alloy iron or alloy steel containing any one or more of the following elements in the following amounts, are covered by the restrictions: manganese in excess of 1.65%; copper in excess of .60%; chromium in excess of .60%; molybdenum in excess of .60%; nickel in excess of .60%; cobalt, tungsten or vanadium in any amount specified or known to have been added to obtain a desired alloying effect.

Section 962.2 (Supplementary Order M-21-a) is amended to read as follows, effective immediately:

962.2 *Supplementary Order.*

(a) *Definitions.* For the purposes of this Order:

(1) "Alloy Steel" means any steel containing any one or more of the following elements in the following amounts: Manganese in excess of 1.65%; Silicon in excess of 0.60%; Copper in excess of 0.60%; Aluminum, boron, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, zirconium, or any other alloying element in any amount specified or known to have been added to obtain a desired alloying effect.

(2) "Alloy Iron" means any iron casting containing any one or more of the following elements in the following amounts: Manganese in excess of 1.65%; Silicon in excess of 5.00%; Copper in excess of 0.60%; Aluminum, boron, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, vanadium, zirconium or any other alloying element in any amount specified or known to have been added to obtain a desired alloying effect.

It does not include those materials commonly known as ferro-alloys.

(b) *Priority Control.* All the provisions and definitions of General Preference Order M-21, issued August 9, 1941, and of Priorities Regulation No. 1, issued August 27, 1941, as amended from time to time, shall be applicable to alloy iron, alloy steel and wrought iron and are hereby included as a part of this Order with the same effect as if specifically set forth herein, except as otherwise specifically provided herein.

(c) *Restrictions on Melting and Deliveries of Alloy Iron or Alloy Steel.*

(1) Except pursuant to a specific Preference Rating Certificate or Preference Rating Order carrying a preference rating of A-10 or higher and duly issued or extended to the Producer, or pursuant to specific written permission of the Director of Priorities.

(i) no Producer shall melt, and

(ii) on and after January 1, 1942, no Producer shall deliver

any alloy iron or alloy steel containing any one or more of the following elements in the following amounts: Maganese in excess of 1.65%; Copper in excess of 0.60%; Chromium in excess of 0.60%; Molybdenum in excess of 0.60%; Nickel in excess of

0.60%; Cobalt, tungsten or vanadium in any amount specified or known to have been added to obtain a desired alloying effect.

(2) *Directions as to Deliveries.* The Director of Priorities may from time to time issue directions, directing or forbidding specific deliveries.

(3) *Directions as to Alloying Content.* The Director of Priorities may from time to time issue directions, specifying as to any alloying element the quantities and proportions which may be used in making alloy iron or alloy steel, and whether and in what proportions, any such element is to be the metal, a ferro-alloy, reclaimed metal, scrap, a chemical compound or any other material containing such element. Any person who shall violate any such direction, or any person who knowingly receives delivery of alloy iron or alloy steel in violation thereof, may be prohibited from making or receiving further deliveries of such material or subjected to such other action as the Director of Priorities may deem appropriate.

(d) *Restriction of Deliveries under Toll Agreements.* No person shall make any delivery under any contract now outstanding or hereafter entered into for the delivery of alloy iron or alloy steel which he processes, fabricates or casts by toll agreement for any other person, unless specifically authorized to do so by the Director of Priorities.

(e) *Revocation of General Preference Order M-5.* General Preference Order M-5, as amended, Supplementary Order M-5-a, as amended, and Supplementary Order M-5-b, issued to conserve the supply and direct the distribution of nickel-bearing steel, are revoked.

(f) *General Preference Order M-14 Still Effective.* Nothing contained herein shall be construed to amend or modify any of the provisions of General Preference Order M-14, to conserve the supply and direct the distribution and use of tungsten in high-speed steel.

(g) *Effective Date.* This Supplementary Order shall take effect immediately.

Issued this 20th day of December, 1941. DONALD M. NELSON, *Dir. of Priorities.*

Vf·740. Form PD-83e—warehouse's statement requesting change in "producers."

(This Form May be Reproduced)

PD-83e
11/14/41

....
Name of Warehouse Address of Warehouse

To be filled out in quintuplicate:
Original and one copy to OPM
Copies to: Warehouse, Present Producer, Requested Producer.

(Issued Pursuant to the Provisions of General Preference Order M-21 and Supplementary Order M-21-b.)

Warehouse's Statement Requested Change in "Producers" Supplying Product With A-9 Rating

(Applies only to "Merchant Products"—Product Classifications 8, 11a, 13, 15 and 18—as defined in the Director of Prorities' Directive of September 26, 1941.)

It is hereby requested that our quota for the product classification indicated be transferred from the producer listed below to.....
Name of Producer Accepting Warehouse as Customer

I have contacted the company, and it is in a position to supply our needs without interfering with its shipments to other warehouse customers.

The reasons for my request are:

Type of Material (Product Classification)	Name of 1940 Producer from whom Transfer is to be made	Shipments Received in 1940 from Producer				
		Total 1940	First Quarter	Second Quarter	Third Quarter	Fourth Quarter

Copyright, January 9, 1942, The Research Institute of America, Inc.

The undersigned certifies that: He executed this report on behalf and by the authority of the above-named warehouse, and that the facts stated herein are to the best of his knowledge and belief true and correct.

....
Date Signature and Title of Authorized Officer

Certificate of Producer Accepting Warehouse as Customer

The undersigned producer has been duly notified of the foregoing facts and is in a position to accept the transfer of the above-named warehouse as a customer and to supply him with the listed products to the extent permitted by Supplementary Order M-21-b and subsequent orders issued under Supplementary Order M-21-b, to date.

....
Date Producer Signature and Title of Authorized Officer

Certificate of Producer Relinquishing Warehouse as Customer

The producer who shipped to the above-named warehouse in 1940 and from whom transfer is now requested hereby cancels the quota assigned to this warehouse for the indicated products under an A-9 rating, verifies he shipped the tonnages in the four quarters of 1940 as stated on this form, and acknowledges that this concern qualifies as a warehouse in accordance with Supplementary Order M-21-b.

....
Date Producer Signature and Title of Authorized Officer

When the required certifications have been obtained, the original and two copies of this form should be returned to the Warehouse Section, Iron and Steel Branch. If the requested change is approved it becomes effective when authorized by the Chief of the Iron and Steel Branch and will remain in effect until further notice. The authorized copy will be sent to the warehouse.

Vf·741. Supplementary Order M-21-d restricts corrosion-resistant chrome alloy use. Civilian use of high grade chromium steel, except in fabricated articles was restricted on December 27, 1941. Supplementary Order M-21-d provides that no person shall consume, use, fabricate or deliver corrosion or heat resistant alloy iron or steel containing more than 4% chromium after 10 days from the date of issuance of the order, except on ratings of A-10 or higher. During the ten days intervening chrome steel use is limited to one-third the amount used during the month of December, 1940. The order further provides for a report by January 15, 1942, of all chrome iron or steel subject to the order on hand. Form PD-221 is provided for these reports. It was emphasized that the order does not apply to fully fabricated chrome steel articles, but to such material in any stage of fabrication.

Vf·742. Supplementary Order M-21-d—Corrosion and Heat Resistant Chrome Steel

Whereas, the National Defense requirements, coupled with the threat to supply created by the war in the Pacific Ocean, have created a shortage of chromium for defense for private account and for export, and further conservation measures have become necessary.

Now, therefore, it is hereby ordered that

962.5 *Supplementary Order*

(a) *Restrictions on Deliveries, Use, etc.* From the date of issuance of this Order until otherwise ordered by the Office of Production Management, no person shall consume, use, process, fabricate, or deliver corrosion or heat resistant alloy iron or alloy steel containing 4 percent or more of chromium except in accordance with the following:

(1) The above prohibition shall not apply to material to be delivered by the holder on a preference rating of A-10 or higher.

(2) The above prohibition shall not apply to fully fabricated articles. It shall apply to raw steel stock in the form received, or cut to size for further processing or fabrication.

(3) During the ten days immediately following the date of issuance of this Order, a

person other than a Producer may consume, use, process, fabricate, or deliver such material to an amount not greater than one-third of such person's consumption, use, processing, fabrication, or delivery during the month of December 1940.

(b) *Reports.* Each person having ownership or possession of corrosion or heat resistant alloy iron or alloy steel containing 4 percent or more of chromium and subject to the prohibitions of paragraph (a) shall file with the Iron and Steel Branch, Office of Production Management, Washington, D. C., Ref: M-21-d, on or before January 15, 1942, a report on Form PD-221; provided, however, that the provisions of this paragraph shall not apply to warehouses filing reports pursuant to Supplementary Order M-21-b.

(c) *Violations.* Any person who violates this Order may be deprived of priorities assistance or may be prohibited by the Office of Production Management from obtaining any further deliveries of materials subject to allocation. The Office of Production Management may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35A of the Criminal Code (18 U.S.C. 80).

(d) *Appeal.* Any person affected by this Order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him, or would result in a serious problem of unemployment in the community, or would disrupt or impair a program of conversion from nondefense to defense work may appeal to the Office of Production Management by addressing a letter to the Iron and Steel Branch, Office of Production Management, Washington, D. C., setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Office of Production Management may thereupon take such action as it deems appropriate.

(e) *Effective Date.* This Order shall take effect immediately.

Issued this 27th day of December, 1941. Donald M. Nelson (Dir. of Priorities).

Vf·743. Form PD-169—iron and steel monthly plate rolling schedule.

Copyright, January 9, 1942, The Research Institute of America, Inc.

PD-169
(Rev. 11/25/41)

PLATE CAPACITY (See Instructions)	
Sheared	Net Tons
U. M.	Net Tons
Strip	Net Tons

CONFIDENTIAL
For Use of
Defense Agencies Only

Company _____
Officer _____
Date _____

PLATE ROLLING SCHEDULE FOR MONTH OF _____, 194__.

Submit in duplicate - See Instructions

CUSTOMER'S NAME (1)	TYPE OF MILL (2)	PREFERENCE RATING (3)	ARMY (4)	NAVY		MARITIME		SHIP REPAIRS "CSY" (9)	LEND-LEASE (10)	RAILROADS		OTHER PRIORITIES (13)	OTHER EXPORT (14)	WAREHOUSE (15)	SKELP (16)	ALL OTHER (17)	REMARKS (18)
				Hull (5)	All Other (6)	Hull (7)	All Other (8)			Firebox and Boiler (11)	Carbuilders And All Other (12)						

Steel Warehouses—Allocation

Vf·801. Steel warehouses held to assigned quotas by Amendment No. 3 to M-21-b. Several changes were made in M-21-b for steel warehouses by an amendment issued on February 28, 1942. Whereas formerly warehouses were forbidden to accept deliveries in excess of their assigned quotas from steel producers only, this restriction was extended by the amendment to all persons or companies. The chief purpose of the amendment is to prevent the warehouses from obtaining deliveries of products listed in Schedule A of M-21-b in excess of quotas from other sources such as automobile companies. Another provision of the amendment allows the basketing of purchase orders with higher than A-9 ratings up to a period of 90 days. However, any steel obtained by a warehouse through extension of a rating higher than A-2 may not be delivered by the warehouse to any customer except on orders with a similar high rating, until such stock has been held for at least 90 days. Paragraph "d" of the order has been changed to restrict deliveries from warehouses of certain types of steel and steel products to orders bearing high preference ratings. This applies especially to the delivery of steel plates. Paragraph "c" was also amended to enable small warehouses to buy steel products listed in Schedule B in minimum carload lots, notwithstanding the restrictions on quarterly deliveries, provided the warehouse does not exceed its total annual quota. Wire rope has been omitted from the schedules of products to which quotas may be assigned under the terms of the order.

Vf·802. Amendment No. 3 to Supplementary Order M-21-b relating to steel warehouses.

(a) Supplementary Order M-21-b (Section 962.3) is hereby amended to read as follows:

(a) *Additional Definitions.* For the purpose of this Supplementary Order:

(1) "Warehouse" means any person who receives physical delivery of iron or steel from a Producer for sale or resale in the form received.

(2) "Deliveries" includes deliveries on consignment.

(b) *Schedule A Products.* With respect to the iron and steel products listed in Schedule A hereto:

(1) *Quota Restriction.* No Warehouse shall accept from any person during any calendar quarter deliveries except within the limits of the quota established for such Warehouse by the Director of Industry Operations. Application for such quota shall be made on Form PD-83-a. Such quota shall be computed on the base tonnage herein described. The base tonnage of any Schedule A product classification is the tonnage of such product classification shipped by the Warehouse from stock during the first calendar quarter of 1941. The quota of the Warehouse in each calendar quarter is the percentage of such base tonnage shown in column 2 of Schedule A. The base tonnage or the quota may be changed from time to time by the Director of Industry Operations.

(2) *Preference Rating.* The Director of Industry Operations will issue to each Warehouse for which a quota is established pursuant to paragraph (b)(1), a certificate assigning a preference rating of A-9 to deliveries of iron or steel to such Warehouse, within the limits of such quota. Such preference rating may be changed from time to time by the Director of Industry Operations.

(3) *Reports.* Each Warehouse shall file with the Iron and Steel Branch, War Production Board, Washington, D. C., on or before the 15th day of each month a report on Form PD-83, or in such other form as may from time to time be prescribed by the Director of Industry Operations.

(c) *Schedule B Products.* With respect to the iron and steel products listed in Schedule B hereto:

(1) *Quota Restriction.* No Producer shall make to a Warehouse, and no Warehouse shall accept from any Producer during any calendar quarter, deliveries except within the limits of the quota which such Warehouse is entitled to receive from such Producer. Such quota shall be computed on the base tonnage herein described. The base tonnage of any Schedule B product classification is the tonnage of such product classification shipped by the Producer to the Warehouse during the corresponding calendar quarter of 1940. By written notice delivered to the Producer on or before February 1, 1942, the Warehouse may change the base tonnage of any product classification to one-fourth of the tonnage of such product classification shipped by the Producer to the Warehouse during the year 1940; but the base tonnage cannot thereafter be changed for any subsequent calendar quarter. The quota which each Producer may deliver to each Warehouse in each calendar quarter is the percentage of such base tonnage shown in column 3 of Schedule B. The base tonnage or the quota may be changed from time to time by the Director of Industry Operations. Any Warehouse whose base tonnage of all Schedule B products with any Producer for the calendar year is 120,000 pounds or less may accept his total quota from such Producer at any time during the calendar year, provided that not more than two minimum carloads are accepted in any calendar quarter. After approval by the Iron and Steel Branch, War Production Board, on Form PD-83-e, the base tonnage and quota of a Warehouse may be transferred from one Producer to another.

(2) *Preference Rating.* A preference rating of A-9 is assigned to deliveries of each product classification from a Producer to a Warehouse up to the percentage of the base tonnage shown in column 2 of Schedule B. The tonnage of each product classification which a Producer may deliver to a Warehouse under the A-9 rating shall be reduced in each calendar quarter by the tonnage of such product classification delivered by the Producer to the Warehouse during such calendar quarter under any higher rating. Where the amount of Schedule B products assigned the A-9 rating in any calendar quarter is less than one minimum carload for the territory in question, but more than 26,000 pounds, such rating may be applied up to one minimum carload.

(3) *Reports.* Each Producer making deliveries of Schedule B products to a Warehouse shall file with the Iron and Steel Branch, War Production Board, on or before April 15, 1942, and quarterly thereafter a report on Form PD-83-f.

(d) *Limitation of Deliveries by Warehouses.* No Warehouse shall make deliveries in whole or in part of alloy or carbon steel plates over 90 inches wide in any thickness, or over 48 inches wide and heavier than ¾-inch except on a preference rating higher than A-2. Except as permitted by paragraph (e), no Warehouse shall make deliveries of other sizes of steel plates or of other types of alloy steel from its stock, except on a preference rating of A-10 or higher. After making provision for such rated orders and subject to the provisions of Priorities Regulation No. 1 and of paragraph (h), a Warehouse may make deliveries of other iron and steel products from its stock to other customers. In addition to the foregoing, deliveries of any alloy or carbon iron or steel product by a Warehouse shall be subject to the same restrictions as those imposed by any Order of the Director of Industry Operations on deliveries of such product by a Producer.

(e) *Exemption of Certain Sales by Warehouses.* A Warehouse may make deliveries of carbon steel plates in dimensions other than those restricted in paragraph (d) above, alloy tool steel, and other alloy steel on unrated orders only when such orders are certified by the purchaser to be for necessary repair or maintenance purposes, provided that the total amount of each such material delivered to all customers in this manner during any calendar month shall not exceed ten percent (10%) of the average monthly deliveries of such material by the Warehouse to all customers during the first calendar quarter of 1941; and further provided that nothing contained in this paragraph shall be construed to excuse any person from complying with the applicable provisions of General Preference Order M-14, to conserve the supply and direct the distribution and use of tungsten in high-speed steel.

Copyright, March 11, 1942, Research Institute.

(f) *Special Instructions.* The Director of Industry Operations may from time to time issue specific directions to Warehouses requiring them to earmark stocks or to make deliveries during specified periods in fulfillment of contracts, commitments, or purchase orders for particular purposes or to particular persons. Such directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made, in the discretion of the Director of Industry Operations, without regard to any preference ratings assigned to particular contracts, commitments, or purchase orders, and without regard to any quota established under paragraphs (b) or (c).

(g) *Foreign Warehouses.* The Director of Industry Operations may establish quotas for Warehouses located outside the United States, its territories and possessions (including the Commonwealth of the Philippines), and may assign ratings to deliveries to such Warehouses.

(h) *Application of Higher Ratings.* The provisions of any Preference Rating Certificate or Order heretofore or hereafter issued to the contrary notwithstanding, no rating higher than A-9 shall be applied by a Warehouse for deliveries to stock except in accordance with the following:

(1) For the purposes of extension, the ratings received by the Warehouse for each product classification and type of steel as shown in Schedule C shall be separately accumulated.

(2) Extension of a rating higher than A-9 for any product classification and type shall be made only when the Warehouse has, within 90 days prior to such extension, shipped from stock on ratings higher than A-9 an accumulated total weight of such product classification and type not less than the minimum shown in Schedule C.

(3) The rating to be extended to the delivery of any product classification and type shall be the lowest rating received on the shipment of such product classification and type within the accumulated total.

(4) An amount of each product classification equal to the amount obtained through the use of preference ratings higher than A-2 shall be reserved for a period of 90 days following date of receipt by the Warehouse for delivery on orders rated higher than A-2, except when otherwise specifically ordered by the Director of Industry Operations. If such material is not sold at the end of 90 days on ratings higher than A-2, it may then be sold on other orders, subject to the provisions of this or other Orders.

(5) Consolidated ratings established pursuant to this paragraph (h) must be based solely on deliveries from one location, and deliveries pursuant to such consolidated ratings must be made to the same location.

(i) *Extension of Preference Rating.* The A-9 preference rating assigned by this Order, or any higher rating applied by a Warehouse pursuant thereto, may be applied by a Producer to deliveries of material to be physically incorporated into material to be delivered by the Producer to a Warehouse under the rating assigned above, or to be used within the limitations of this paragraph to replace in the Producer's inventory material so delivered. Such application of the rating shall be subject to the following:

(1) No Producer may apply the rating to obtain material in greater quantities or on earlier dates than required to enable him to make on schedule a delivery rated hereunder, or to replace in his inventory material so delivered. He shall not be deemed to require such material if he can make his rated delivery and still retain a practicable working minimum inventory thereof; and if, in making such delivery, he reduces his inventory below such minimum, he may apply the rating only to the extent necessary to restore his inventory to such minimum.

(2) To extend such rating a Producer must endorse on each purchase order or contract to be covered by a rating assigned hereunder a statement in the following form, manually signed by an official duly authorized for such purpose:

"The undersigned hereby certifies that the iron and steel products herein ordered are required to complete purchase order Nos. ..... received from a Steel Warehouse, Preference Rating.....

.....
(Name of Producer)

By.....
(Duly Authorized Official)."

Such endorsement shall constitute a representation to the War Production Board and to the person with whom the purchase order or contract is placed that such purchase order or contract is duly rated in accordance herewith. The seller shall be entitled to rely on such representation unless he knows or has reason to believe it to be false. Any such purchase order or contract shall be restricted to material the delivery of which is rated in accordance herewith.

(3) Each Producer extending any rating in accordance with this paragraph (i) shall file such reports as may be required from time to time by the War Production Board, and until further notice shall file form PD-81 (or, at his election, form PD-81-a accompanied by copies of all endorsed purchase orders or contracts for material to which the preference rating has been applied by him during the preceding month), on or before the 15th day of each month.

(j) *Effective Dates.* This Supplementary Order shall take effect immediately and, unless sooner terminated by direction of the Director of Industry Operations, shall expire on the expiration date of Section 962.1 (General Preference Order M-21).

(b) This amendment shall take effect immediately.

Issued this 28th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

SCHEDULE "A"

(*Base Tonnage*—Sales from Warehouse stock, 1st calendar quarter, 1941 as approved on Form PD-83-a.)

	Product Classification (Column 1)	*Quota Percent of Base Tonnage (Column 2)*
1.	Ingots, blooms, billets, slabs, tube rounds, sheet and tin bars	100
2.	Structural shapes and piling	100
3.	Plates (Universal and Sheared)	100
4.	Rails—over 60 lbs	100
5.	Rails—all other	100
6.	Tie plates and track accessories, including track spikes	100
7.	Hot rolled bars, carbon, including hoops and bands	100
9.	Hot rolled bars, alloy	100
10.	Cold finished bars, carbon and alloy	100
11b.	Tubes (Mechanical and Pressure)	100
12.	Wire rods (for wire drawing only)	100
14.	Black plate	100
16.	Sheets and strip, hot rolled	100
17.	Sheets and strip, cold reduced	100
19.	Sheets and strip, all other (including long ternes)	100
20.	Tool steel bars	100
21.	Wheels and axles	100
22.	Forgings, armor plate, and ordnance	100
23.	Forgings, all other (rough forgings only)	100
24.	Steel castings (rough castings only)	100
25.	Skelp	100
26.	All other	100

SCHEDULE "B"

(*Base Tonnage*—Shipments from Producers to Warehouse stock during corresponding calendar quarter of 1940, or (on specific election of Warehouse pursuant to paragraph (c)(1) of Order) one-fourth of total shipments to stock in 1940.)

	Product Classification (Column 1)	*Percent of Base Tonnage Rated A-9 (Column 2)*	*Maximum Which May Be Shipped (Column 3)*
8.	Hot rolled bars, concrete reinforcing	80	110
11a.	Pipe and tubes (all kinds except mechanical and pressure tubing)	80	110
13.	Wire and wire products:		
	a. Bale ties, nails and welding rods (uncoated)	100	140
	b. Wire, woven fence wire, poultry netting, stucco netting, barbed wire, staples, fence posts and gates	70	110
15.	Tin and terne plate (short ternes)	70	110
18.	Galvanized sheet and strip (including corrugated)	70	110

SCHEDULE "C"

Minimum Size Orders of Steel for Warehouse Stock to Which a Rating Higher Than A-9 May be Extended

Schedule A Products	*Type of Steel (Pounds)* Carbon	Alloy	Stainless
1. Ingots, Blooms, Billets, Slabs, Tube Rounds, and Sheet and Tin Bars	40,000	20,000	....
2. Structural Shapes and Piling	40,000	20,000	....
3. Plates (Universal and Sheared)	40,000	20,000	6,000
4. Rails—Over 60 lbs.	40,000	.....	....
5. Rails—All other			
6. Tie Plates and Track Accessories, including Track Spikes			
7. Hot Rolled bars, Carbon, Including Hoops and Bands	40,000	.....	....
9. Hot Rolled Bars, Alloy	.....	20,000	6,000
10. Cold Finished Bars, Carbon and Alloy	20,000	10,000	6,000
11b. Tubing (Mechanical and Pressure)	40,000	10,000	2,000
12. Wire Rods (for wire drawing only)	40,000	.....	....
14. Black Plate	40,000	.....	....
16. Sheets and Strip, Hot Rolled	40,000	20,000	6,000
17. Sheets and Strip, Cold Reduced	20,000	10,000	6,000
19. Sheets and Strip, all other (Including long ternes)	20,000	10,000	....
20. Tool Steel Bars	1,000	1,000	....
21. Wheels and Axles	40,000	20,000	....
22. Forgings, Armor Plate and Ordnance	20,000	20,000	....
23. Forgings, All Other (Rough Forgings only)	20,000	20,000	....
24. Steel Castings (Rough Castings only)	20,000	20,000	2,000
25. Skelp	40,000	.....	....
26. All Other	40,000	20,000	6,000

Schedule B Products	*Type of Steel (Pounds)* Carbon	Alloy	Stainless
8. Hot Rolled Bars, concrete reinforcing	40,000	.....	....
11a. Pipe and Tubes (all kinds except mechanical and pressure tubing)	40,000	.....	....
13. Wire and wire products:			
a. Bale ties, nails and welding rods (uncoated)	40,000	.....	2,000
b. Wire, woven fence wire, poultry netting, stucco netting, barbed wire, staples, fence posts and gates			
15. Tin and terne plate (short ternes)	40,000	.....	....
18. Galvanized sheet and strip (including corrugated)	40,000	.....	....

Copyright, March 11, 1942, Research Institute.

Steel Oil Drums—Allocation and Blanket Rating

Vf·900. Compulsory sheet steel inventory for drum manufacture. Under General Preference Order M-45 manufacturers of steel drums will be required to set aside a specified inventory of the 16 and 18 gauge hot-rolled sheet steel from which the drums are made. This inventory is to be used only upon specific order of the Director of Priorities. A manufacturer is not required to set aside more than the original reserve inventory, and he is not required to replace it. If he wishes to do so, however, he may use the preference rating extended by Preference Rating Order P-76 to acquire the necessary stock.

This method of assistance is extended because orders for overseas shipments are frequently placed on an emergency basis, often not more than one week before sailing dates. It is impractical to create a substantial stockpile of finished drums, because of the large areas that would be required for storage. In place of this, the stockpile of the basic raw material is provided for. Order M-45, designed to make possible the speedy manufacture of steel drums for overseas shipment of gasoline, oil, and other petroleum products, was issued November 17, 1941 by the Priorities Division, effective immediately.

Observation: Whether or not you make application for authority to use the preference rating, you should report within five days the number of tons of 16-gauge, and the number of tons of 18-gauge, hot-rolled sheet steel in your inventory as of October 31, 1941. "Inventory," as used in this order, includes steel in your possession or ownership and not in process of fabrication.

Vf·901. Text of General Preference Order M-45 for sheet steel inventories. Following is the text of Order M-45:

PART 1016—Sheet Steel General Preference Order M-45

To Reserve An Inventory of Sheet Steel for Steel Drums

WHEREAS, it is found that demands for steel drums for the shipment of gasoline, oil, and other petroleum products overseas, are recurringly creating temporary and local shortages of such drums and of the sheet steel necessary for the manufacture of such drums; and

WHEREAS, it is further found that the best interests of the national defense require the reservation of a stock of sheet steel to be immediately available for the manufacture of steel drums required for such shipment;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1016.1 GENERAL PREFERENCE ORDER.

(a) *Definitions.* For the purposes of this Order:

(1) "Steel Drums" means drums made of 16 or 18 gauge hot rolled sheet steel.

(2) "Producer" means any fabricator of Steel Drums.

(b) *Reservation of sheet steel for Specific Allocation.* The Director of Priorities will, from time to time, by specific order to each Producer, direct the reservation of a designated quantity of 16 and 18 gauge hot rolled sheet steel in the Producer's possession or ownership. In addition, all sheet steel acquired by application of a preference rating pursuant to Preference Rating Order No. P-76 shall be likewise reserved. Thereafter the Director will, from time to time,

specifically authorize the sale, delivery, or processing of quantities of sheet steel so reserved. Except pursuant to such an authorization, no producer shall sell, deliver or process any such reserved sheet steel.

(c) *Records.* Each Producer shall keep and preserve for a period of not less than two years accurate and complete records concerning inventories and stocks on hand of, and deliveries to such Producer, and by such Producer, of 16 and 18 gauge hot rolled sheet steel and steel drums.

(d) *False Statements and Penalties.* Any person who wilfully violates any of the terms and provisions of this Order, or wilfully falsifies records required to be kept or information to be furnished pursuant to this Order, or who obtains a delivery of material by means of a material and wilful misstatement may be prohibited from obtaining further deliveries of material under allocation and be deprived of any other priorities assistance. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(e) *Effective Date.* This order shall take effect immediately, and unless sooner revoked, shall expire on the 30th day of May, 1942.

Issued this 17th day of November, 1941.

(Sgd.) J. S. KNOWLSON, *Acting Director of Priorities.*

Vf·902. Priority for delivery of inventory sheet steel. As a companion order to M-45, Preference Rating Order P-76 has been issued. It extends a rating of A-4 to deliveries of the sheet steel to drum manufacturers for the purpose of replenishing the original inventory. Any sheet steel acquired with its assistance must be held under the same conditions as the originally designated inventory.

Vf·903. Text of General Preference Rating Order P-76 as amended December 31, 1941 for container steel. Following is the text of Preference Rating Order P-76 as amended December 31, 1941 for container steel:

Rating Plan for Container Steel—Preference Rating Order No. P-76 as amended December 31, 1941

To: ..... Name of Producer: ..... Address ..... Serial No. .....

PREFERENCE RATING ORDER. For the purpose of facilitating the acquisition of hot rolled sheet steel of all gauges for the production of steel containers, in the interest of the defense of the United States, a preference rating is hereby assigned to certain deliveries to the above-named producer, upon the following terms:

(a) *Definitions.*

(1) "Producer" means the specific person to whom this Order is addressed above.

(2) A "Steel Drum" means a drum made of hot rolled sheet steel of any gauge.

(3) "Container Steel" means hot rolled sheet steel of any gauge which will be physically incorporated into a steel drum.

(4) "Supplier" means any person with whom a contract or purchase order has been placed for delivery to the Producer of Container Steel.

(b) *Assignment of Preference Rating.* Preference rating A-4 is hereby assigned to deliveries to the Producer by his Supplier of those quantities of Container Steel specifically authorized for rating from time to time by the Director of Priorities.

(c) *Application of Rating and Restrictions on its Use.* The preference rating hereby assigned may be applied only by the Producer. The Producer may apply said rating only to those quantities of Container Steel specifically authorized for rating by the Director of Priorities from time to time. Such authorization will be based on information furnished by the Producer on Form PD-156. The extent of the authorization will be indicated on one copy of

Copyright, January 26, 1942, The Research Institute of America, Inc.

Form PD-156 which will be returned to the Producer. This Order will be terminated immediately if the Producer is found to have applied the rating to deliveries in excess of his specific authorization.

(d) *Application of Preference Rating.* The Producer who has been furnished with a signed copy of this Order, to apply the preference rating to deliveries to him must:

(1) Execute, by signing, the acceptance at the end hereof, and file such signed acceptance with the Division of Priorities of the Office of Production Management; and

(2) Furnish one additional copy of this Order to each of his Suppliers with whom he has placed a contract or purchase order for Container Steel to the delivery of which he elects to apply the preference rating. After he has furnished one such copy to a particular Supplier, he need furnish no additional copy to that Supplier to cover any subsequent deliveries of Container Steel. The Producer shall endorse the following statement on the original and all copies of each purchase order or contract for Container Steel, the delivery of which is rated pursuant to this Order:

"Purchase order for Container Steel, Preference Rating A-4 pursuant to Preference Rating Order No. P-76, as amended to December 31, 1941" not extendible.

and deliver the original or a copy thereof to the seller of such Container Steel. Such endorsement shall constitute a certification to the Office of Production Management that the Producer is entitled to apply the rating to such delivery pursuant to this Order. Such purchase order or contract shall not include any material the delivery of which is not rated pursuant to this Order.

(e) *Records, Audits and Reports.* The Producer shall

(1) keep and preserve for a period of at least two years accurate and complete records and information concerning purchases (including orders and deliveries) stocks on hand and sales of Container Steel covered by each application of the rating;

(2) submit from time to time for audit and inspection to representatives of the Office of Production Management concerning the matters referred to in paragraph (e)(1);

(3) file such reports with the Office of Production Management as may from time to time be required. Until further order, the Producer and each such Supplier shall file with the Director of Priorities, on or before the fifteenth day of each month Form PD-81, a copy of which is attached hereto.

(f) *False Statements and Penalties.* Any person who applies the preference rating hereby assigned in wilful violation of the terms and provisions of this Order, or wilfully falsifies records required to be kept or information to be furnished pursuant to this Order, or who obtains a delivery of material by means of a material and wilful misstatement may be prohibited from obtaining further deliveries of material under allocation and be deprived of any other priorities assistance. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(g) *Revocation or Modification.* This Order may be revoked or amended by the Director of Priorities at any time as to the Producer. In the event of revocation, deliveries already rated pursuant to this Order shall be completed in accordance with said rating, unless the rating has been specifically revoked with respect thereto. No additional applications of the rating to any other deliveries shall thereafter be made by the Producer affected by such revocation.

(h) *Effective Date.* This Order, as amended, shall take effect immediately and shall continue in force until further amended or revoked by the Director of Priorities.

Issued this 17th day of November, 1941.
Amendment issued and effective December 31, 1941.

(Sgd.) DONALD M. NELSON, *Acting Director of Priorities.*

Instructions to Form PD-81

Pursuant to the provisions of paragraph (e) of Preference Rating Order P-76, the Producer on or before the 15th day of each month, shall file a report with the Division of Priorities

of the Office of Production Management on Form PD-81, hereto attached, accompanied by the certification of an authorized official of the Producer furnishing the same, as provided thereon.

The Report should be mailed to the Containers Branch, Office of Production Management, Social Security Building, Washington, D. C.

Acceptance of Preference Rating Order No. P-76

To be detached from the foregoing Order, signed by an authorized agent, and returned to the Division of Priorities, Office of Production Management, Washington, D. C., by the Producer, before he applies the preference rating assigned by the foregoing Order.

(Before signing this Acceptance, read carefully sections (c), (d), and (e) of the foregoing Order.)

The Producer named below hereby accepts Preference Rating Order No. P-76, and certifies to the Director of Priorities of the Office of Production Management that he is entitled to apply the preference rating assigned by said Order in accordance with its terms.

Dated this ..... day of ....., 1941. .....
Legal Name of Producer

By ....
Name and Title of Authorized Agent — Address of Producer

(Section 35A of the Criminal Code, 18 U.S.C. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.)

Exact copies, including name and serial number, may be made by the Producer by the photo-offset or similar photographic process, for delivery to Suppliers. These copies must be identical in size and in every other respect with the order issued. In addition, other copies of this Order may be secured from the Division of Priorities, Office of Production Management, Washington, D. C.

Vf·904. Form PD-156—application for preference rating pursuant to container steel preference rating order.

PD-156
10/31/41

Application for Preference Rating Pursuant to Preference Rating Order No. P-76

Execute in quadruplicate and file all four copies with the Containers Branch, Office of Production Management, Washington, D. C. File a separate application for each plant location.

Name of Applicant ..... Serial Number of Preference Rating Order Issued to Applicant.....
Address..... Plant Location..... Date of Last Application.....

Statement of Inventory Reserved Pursuant to General Preference Order No. M-45

	16-gauge	18-gauge
1. Tons of sheet steel in reserved inventory on date of last application. (If no application has previously been made, give inventory information as of the date of your reservation order issued by Director of Priorities under General Preference Order M-45.)	.....	.....
2. Tons of sheet steel added to reserved inventory since date of last application	.....	.....
TOTAL	.....	.....
3. Tons of sheet steel used from reserved inventory since date of last application	.....	.....
4. Tons of sheet steel in reserved inventory as of date of this application.	.....	.....
5. Tons of sheet steel for which authorization to apply preference rating is sought	.....	.....

The undersigned hereby applies for authorization to apply the preference rating provided by Preference Rating Order No. P-76 to deliveries of the amounts of hot rolled sheet steel stated above in Item 5. Any steel acquired by application of the preference rating will be held as

Copyright, January 26, 1942, The Research Institute of America, Inc.

reserved subject to the provisions of paragraph (b) of General Preference Order No. M-45. Such steel is to replace steel reserved pursuant to such provision and used, pursuant to a specific authorization of the Director of Priorities for the fulfillment of the orders indicated below:

Date of Your Purchase Order	Date of Authorization Letter	Name and Address of Purchaser	To be Shipped to: City	State	Number Drums	Specification	Tons of Steel Used 16-gauge	18-gauge

The undersigned hereby certifies that the facts set forth above or appended are true and correct.

Date..... ..... By.....
Legal Name of Applicant Signature and Title of Authorized Agent

Section 35A of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Authorization

The applicant is hereby authorized to assign a preference rating of A-4 to deliveries to the Producer of ..... tons of 16-gauge and ..... tons of 18-gauge hot rolled sheet steel.

Signed.....

Vf·905. Gauge limitation of sheet steel removed by Amendment No. 1 to Order M-45. Amendment No. 1 to Order M-45 providing that hot rolled sheet steel of any gauge may be used for the manufacture of sheet steel drums and that such drums may be used for all kinds of products to be shipped overseas, was issued December 31, 1941. The original order restricted the sheet steel to be used in the manufacture of steel drums to 16 and 18 gauge, and also restricted the use of the drums to shipment abroad of oil, gasoline and petroleum products. The gauge limitation resulted in temporary and local shortages of such drums for certain purposes, and removing this limitation will make available a greater supply of sheet steel for the manufacture of steel drums for a wider range of products to be shipped abroad, such as phosphorus, resin and other items. The order was also amended to make its expiration date indefinite instead of May 30, 1942.

Vf·906. Amendment No. 1 of General Preference Order M-45 to reserve an inventory of sheet steel for steel drums.

General Preference Order M-45 is hereby amended to read as follows:

Whereas, it is found that demands for steel drums for the shipment of gasoline, oil, and other products overseas, are recurringly creating temporary and local shortages of such drums and of the sheet steel necessary for the manufacture of such drums; and

Whereas, it is further found that the best interests of the national defense require the reservation of a stock of sheet steel to be immediately available for the manufacture of steel drums required for such shipment;

Now, Therefore, It Is Hereby Ordered:

1016.1 General Preference Order

(a) *Definitions.*
For the purposes of this Order:
(1) "A Steel Drum" means a drum made of hot rolled sheet steel of any gauge.
(2) "Producer" means any fabricator of Steel Drums.

(b) *Reservation of Sheet Steel for Specific Allocation.* The Director of Priorities will, from time to time, by specific order to each Producer, direct the reservation of a designated quantity of hot rolled sheet steel of any gauge in the Producer's possession or ownership. In addition, all sheet steel acquired by application of a preference rating pursuant to Preference Rating Order No. P-76, as amended to December 31, 1941, shall be likewise reserved. Thereafter the Director will, from time to time, specifically authorize the sale, delivery, or processing of quantities of sheet steel so reserved. Except pursuant to such an authorization, no Producer shall sell, deliver or process any such reserved sheet steel.

(c) *Records.* Each Producer shall keep and preserve for a period of not less than two years accurate and complete records concerning inventories and stocks on hand of, and deliveries to such Producer, and by such Producer, of hot rolled sheet steel of all gauges and steel drums.

(d) *False Statements and Penalties.* Any person who willfully violates any of the terms and provisions of this Order, or willfully falsifies records required to be kept or information to be furnished pursuant to this Order, or who obtains a delivery of material by means of a material and willful misstatement may be prohibited from obtaining further deliveries of material under allocation and be deprived of any other priorities assistance. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35(a) of the Criminal Code (18 U.S.C. 80).

(e) *Effective Date.* This Order shall take effect immediately and shall continue in force until further amended or revoked by the Director of Priorities.

Amendment issued and effective this 31st day of December, 1941.

DONALD M. NELSON, *Dir. of Priorities.*

Railroad Rails (Second-Hand)—Price Control

Vf·925. Proposed ceiling for second-hand relaying rail. The new OPA schedule, it was announced on November 7, will set a ceiling shipping point price for "relaying" rail of the type involved in a Westchester railway sale of $30 a gross ton minus the lowest established charge for transporting such rail between the shipping point and the basing point nearest in terms of transportation charges. The "nearest" basing point to be established for New York and vicinity will be Philadelphia. Hence, in the case of a dealer with a yard in New York City, the shipping point price for "relaying" rail from the Westchester lines would be $30 a ton, less the New York-Philadelphia transportation charge of $3.40 a ton, or $26.60. This price will vary, in relation to higher or lower freight costs, for dealers with yards located outside of New York City.

Maximum delivered price of this rail, according to OPA, "shall be the shipping point price plus the lowest actual charge for transporting the rail from the shipping point to the consumer."

"Relaying" rail involved in the New York, Westchester and Boston sale is classified as "relaying rail weighing 35 pounds per yard or more from abandoned short lines, interurban lines, or any other source except the normal operations of Class I railroads."

The forthcoming schedule will designate the following cities as basing points for "relaying" rail of other than Class I railroad origin:

Boston	Cleveland	Minneapolis	Houston
Philadelphia	Cincinnati	St. Louis	Los Angeles
Buffalo	Detroit	Kansas City	San Francisco
Pittsburgh	Chicago	Birmingham	Portland
		Seattle	

In no event will the schedule provide a maximum shipping point of less than $22 per gross ton. Maximum prices for rail that is to be cut up and used for scrap or rerolled into concrete reinforcing bars already have been fixed in the iron and steel scrap schedule.

Structural Steel Shapes—Simplification

Vf·950. Request to producers to simplify structural steel shapes. An industry-wide move for the simplification of structural steel shapes was announced on October 27, 1941, by the Office of Production Management.

This action was taken in the form of a request to producers by A. D. Whiteside, Chief, Iron and Steel Section, OPM, after consultation with Army, Navy, Maritime Commission and other defense agency officials, as well as architects, engineers and designers.

Purpose of the request is to avoid tying up mills with small miscellaneous rollings for odd sized beams, channels and angles infrequently ordered. All shapes regularly used in ship, car and building construction are retained.

The number of angle shapes will be reduced 50% by the action, and beams, channels and other shapes ordinarily used in various types of steel construction almost as much.

The request will become effective February 1, 1942, allowing time for producers to get rid of present stocks of shapes affected by the order. All producers are requested to extend the notification to their customers.

Simplification schedule for structural shapes. The following is the text of the simplification schedule for structural steel shapes as revised on September 29, 1941:

SIMPLIFICATION OF STRUCTURAL STEEL SHAPES

(Revised as of 9-29-41)

This list is effective from Feb. 1, 1942

Nominal Dimensions	*Weight per Foot*					*Nominal Dimensions*	*Weight per Foot*				
WIDE FLANGE BEAMS											
36x16½	300	280	260	240	230	14x16	426	398	370	342	320
36x12	194	182	170	160	150		314	287	264	246	228
33x15¾	220	200	...	...	...		211	193	176	158	142
33x11½	152	141	132	125	...	14x14½	136	119	103	95	87
30x15	210	190	172	...	...	14x12	84	78	...	...	...
30x10½	124	116	108	...	...	14x10	74	68	61	...	...
27x14	163	145	...	...	...	14x 8	53	48	43	...	...
27x10	106	98	91	...	...	14x 6¾	38	34	30	...	...
24x14	150	130	...	...	...	12x12	190	161	133	106	92
24x12	120	100	...	...	...		79	72	65	...	...
24x 9	87	80	74	...	...	12x10	58	53	...	...	...
21x13	132	112	...	...	...	12x 8	45	40	...	...	...
21x 9	96	82	...	...	...	12x 6½	36	28	25	...	...
21x 8¼	73	68	63	59	...	10x10	112	100	89	77	66
18x11¾	114	105	96	...	...		54	49	...	...	...
18x 8¾	85	77	70	64	...	10x 8	41	33	...	...	...
18x 7½	55	50	...	...	...	10x 5¾	26	21	...	...	...
16x11½	96	88	...	...	...	8x 8	67	58	48	40	35
16x 8½	78	71	64	58	...		31	...	...	...	...
16x 7	50	45	40	36	...	8x 6½	27	24	...	...	...
						8x 5¼	21	17	...	...	...

(Continued on the following page)

SIMPLIFICATION OF STRUCTURAL STEEL SHAPES *(Cont'd)*

Nominal Dimensions	*Weight per Foot*				
LIGHT BEAMS					
12x 4	22	19	16½	...	...
10x 4	19	17	15	...	...
8x 4	15	13	...	...	...
6x 4	16	12	...	...	...
JOISTS					
12x 4	14	...	...	...	...
10x 4	11½	...	...	...	...
8x 4	10	...	...	...	...
6x 4	8½	...	...	...	...
***JUNIOR BEAMS**					
12x 3	11.8	...	...	...	...
11x 2⅞	10.3	...	...	...	...
10x 2¾	9.0	...	...	...	...
9x 2⅜	7.5	...	...	...	...
8x 2¼	6.5	...	...	...	...
7x 2⅛	5.5	...	...	...	...
6x 1⅞	4.4	...	...	...	...
STANDARD BEAMS					
24x 7⅞	105.9	...	...	...	...
24x 7	100	90	79.9	...	...
20x 7	95	85	...	...	...
20x 6¼	75	65.4	...	...	...
18x 6	54.7	...	...	...	...
15x 5½	50	42.9	...	...	...
12x 5¼	50	40.8	...	...	...
12x 5	31.8	35	...	...	...
10x 4⅝	35	25.4	...	...	...
8x 4	23	18.4	...	...	...
7x 3⅝	15.3	...	...	...	...
6x 3⅜	17.25	12.5	...	...	...
5x 3	10	...	...	...	...
4x 2⅝	9.5	7.7	...	...	...
3x 2⅜	7.5	5.7	...	...	...
STANDARD CHANNELS					
18x 4	58	51.9	45.8	42.7	...
15x 3⅜	55	50	40	33.9	...
12x 3	30	25	20.7	...	...
10x 2⅝	30	25	20	15.3	...
9x 2½	20	15	13.4	...	...
8x 2¼	18.75	13.75	11.5	...	...
7x 2	14.75	12.25	9.8	...	...
6x 2	15.5	10.5	8.2	...	...
5x 1¾	9	6.7	...	...	...
4x 1⅝	7.25	6.25	5.4	...	...
3x 1½	6	5	4.1	...	...

Nominal Dimensions	*Weight per Foot*				
STANCHIONS					
6x 6	27½	25	22½	20	18
	15½	...	...	...	...
5x 5	18½	16	13½	...	...
4x 4	13	10	...	...	...
H-BEAMS					
8x 8	34.3	...	...	...	...
6x 6	25	...	...	...	...
6x 6	20	...	...	...	...
5x 5	18.9	...	...	...	...
SUBWAY COLUMNS					
5¾x 9½	40	...	...	...	...
BEARING PILES					
14x14½	117	102	89	73	...
12x12	74	53	...	...	...
10x10	57	42	...	...	...
8x 8	36	...	...	...	...
CAR BUILDING CHANNELS					
13x 4	50	40	35	31.8	...
12x 4	50	45	40	35	...
4x 2½	13.8	...	...	...	...
3x 1⅞	7.1	...	...	...	...
SHIP BUILDING CHANNELS					
12x 3½	37	32.9	30.9	...	...
10x 4	41.1	33.6	28.5	...	...
10x 3½	28.3	24.9	...	...	...
10x 3½	25.3	21.9	...	...	...
9x 3½	25.4	23.9	...	...	...
8x 3½	22.8	21.4	...	...	...
8x 3	19.3	18.7	...	...	...
7x 3½	22.7	19.1	...	...	...
6x 3½	18	...	...	...	...
6x 3½	15.3	...	...	...	...
6x 3	16.3	15.1	...	...	...
6x 2½	12	...	...	...	...
7x 4	18.8	...	...	...	...
7x 3	17.6	...	...	...	...
***LIGHT WEIGHT CHANNELS**					
12x 1½	10.6	...	...	...	...
10x 1½	8.4	...	...	...	...
10x 1⅛	6.5	...	...	...	...

* Rolled by Jones & Laughlin Steel Corporation.

(Continued on the following page)

Copyright, November 6, 1941, The Research Institute of America, Inc.

SIMPLIFICATION OF STRUCTURAL STEEL SHAPES *(Cont'd)*

Nominal Dimensions	*Gauge*					
EQUAL ANGLES						
8 x8	1⅛	1	⅞	¾	⅝	½
6 x6	1	⅞	¾	⅝	½	⅜
5 x5	⅞	¾	⅝	½	⅜	..
4 x4	¾	⅝	½	⅜	5/16	¼
3½x3½	⅝	½	⅜	5/16	¼	..
3 x3	½	⅜	5/16	¼	3/16	..
2½x2½	½	⅜	5/16	¼	3/16	..
2 x2	⅜	5/16	¼	3/16	..	..

Nominal Dimensions	*Gauge*					
UNEQUAL ANGLES						
8 x6	1⅛	1	⅞	¾	⅝	½
8 x4	1	⅞	¾	⅝	½	7/16
7 x4	⅞	¾	⅝	½	7/16	⅜
6 x4	⅞	¾	⅝	½	7/16	⅜
5 x3½	¾	⅝	½	⅜	5/16	..
4 x3½	⅝	½	⅜	5/16	¼	..
4 x3	⅝	½	⅜	5/16	¼	..
3½x3	⅝	½	⅜	5/16	¼	..
3½x2½	½	⅜	5/16	¼	..	..
3 x2½	½	⅜	5/16	¼	..	..
3 x2	½	⅜	5/16	¼	3/16	..
2½x2⅜	5/16	¼	3/16	..	..	..
2½x1½	5/16	¼	3/16	..	..	..

Nominal Dimensions	*Weight per Foot*				
SHIP BUILDING BULB ANGLES					
10x 3½	32.3	29.9	27.2	24.8	22.4
9x 3½	23.8	21.6	19.4	...	...
8x 3½	24.3	20	16	...	...
7x 3½	21.1	17.1	13.6	...	...
6x 3½	17.4	13.9	10.7	...	...
5x 2½	9.8	7.3	...	...	...
3x 2	3.8	...	...	...	...
CAR BUILDING BULB ANGLES					
5x 4½	19.1	...	...	...	...
5x 3½	13	...	...	...	...
4x 3½	14.3	...	...	...	...
4x 3½	11.9	...	...	...	...

Nominal Dimensions	*Weight per Foot*
ZEES	
6⅛ x 3⅝ x ½	21.1
6 x 3½ x ⅜	15.7
5 x 3¼ x ½	17.9
5⅛ x 3⅜ x 7/16	16.4
5 1/16 x 3 5/16 x ⅜	14.0
5 x 3¼ x 5/16	11.6
4 1/16 x 3⅛ x ½	15.9
4⅛ x 3 3/16 x ⅜	12.5
4 1/16 x 3⅛ x 5/16	10.3
4 x 3 1/16 x ¼	8.2
3 x 2 11/16 x ½	12.6
3 x 2 11/16 x ⅜	9.8
3 x 2 11/16 x ¼	6.7

Nominal Dimensions	*Weight per Foot*
EQUAL TEES*	
4 x 4 x ½	13.5
3 x 3 x ⅜	7.8
3 x 3 x 5/16	6.7
2½ x 2½ x ⅜	6.4
2½ x 2½ x 5/16	5.5
2½ x 2½ x ¼	4.6
2¼ x 2¼ x ¼	4.1
2 x 2 x 5/16	4.3
2 x 2 x ¼	3.56
UNEQUAL TEES*	
5 x 3⅛ x ½ (fl) x 13/32 (st)	13.6
5 x 3 x ⅜ (fl) x 13/32 (st)	11.5
4 x 4½ x ⅜	11.2
4 x 3 x ⅜	9.2
4 x 2½ x ⅜	8.5
3 x 2½ x 5/16	6.1

MISC. CAR BLDG. SECTIONS	
Center Sill Section 12x3–1/4—7x15/32	40.3
Center Sill Section 12–15/16x 6–29/32—4– 1/16x15/32	41.2
Center Sill Section 12–7/8x6–27/32—4x13/32	36.2
Center Sill Section 12–13/16x 6–25/32—3–15/16x11/32	31.3
W Side Plate Section 7–7/16x1/4	9.9
W Side Plate Section 3x3/16	5.1
W Side Plate Section 3–3/8 x1/4	8.3

* Any Standard or Wide Flange Beams 6 inches or over in depth can be split to form Tees.

Steel Drums (Used)—Price Control

Vf·1,000. Price ceiling on used steel drums. OPA brought used drum prices down sharply in a schedule announced on November 24, 1941. In setting maximum prices for the various types of used barrels and drums, the price schedule grants differentials for the States of California, Washington and Oregon, acknowledging the premium prevailing on the West Coast.

Vf·1,001. Digest of Price Schedule No. 43—used steel barrels or drums.

Subject. Used steel barrels or drums.

Effective date. December 1, 1941.

Persons affected. Sellers and buyers.

Price limitations. (1) Maximum price for used barrels or drums, size 50-55 gallons, 18 gauge:

(a) reconditioned: $2.25, delivered within 50 miles; for each additional 75 miles (or fraction) distance actual transportation charges or 10¢ per container, whichever is lower, may be added.

(b) lacquer-relined, and baked: maximum price for reconditioned (as explained above under (1) (a)) plus 25¢.

(c) in "raw": $1.60 delivered.

(d) in "raw" purchased directly by user: $1.25 f.o.b. point where emptied.

(2) Maximum prices for other used barrels or drums:

(a) reconditioned: 80% of price of equivalent new container, freight adjustment same as (1) (a) above.

(b) in "raw": maximum price for reconditioned (as explained above under (2) (a)) less 65¢.

Differentials. For West Coast area the following differentials may be added:

(1) reconditioned, lacquer-relined and baked: 50¢.

(2) all purchases in "raw": 40¢.

Exemption. Application to fill contracts entered into before December 1, 1941, at higher prices may be made to OPA on Form 143:1. It must relate to drums bought at higher prices before December 1, 1941, and delivery must be completed by January 15, 1942.

Records, reports, etc. Buyer and seller to keep for one year detailed records of purchases, sales, stocks on hand and on order.

Vf·1,002. Text of Price Schedule No. 43—used steel barrels or drums. The following is the official text of Price Schedule No. 43 of November 24, 1941, for used steel barrels or drums:

Price Schedule No. 43—Used Steel Barrels or Drums

Used steel barrels or drums play a vital role in the distribution of petroleum and its derivatives, chemicals, and foods. To prevent excessive and unwarranted price increases in the petroleum, chemical, and food industries the establishment of ceiling prices for used steel barrels is absolutely essential. The present spiraling of such prices, unless controlled effectively, is

certain to have an adverse effect on the national defense and the public welfare completely out of proportion to the intrinsic value of the used barrels or drums.

It has been determined, consequently, after complete investigation and after numerous conferences with representatives of the industry, to establish maximum prices for used steel barrels or drums as a necessary protection of the public welfare and the national defense.

Accordingly, under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

Sec. 1306.201. *Maximum prices for Used Steel Barrels or Drums.*

On and after December 1, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, except as provided in Section 1306.204 hereof, no person shall sell, offer to sell, deliver or transfer, used steel barrels or drums, and no person shall buy, offer to buy, or accept delivery of used steel barrels or drums, at prices higher than the maximum prices set forth in Appendix A hereof, incorporated herein as Section 1306.210.*

Sec. 1306.202. *Less than Maximum Prices.*

Lower prices than those set forth in Appendix A may be charged, demanded, paid or offered.*

Sec. 1306.203. *Evasion.* The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery or transfer of a used steel barrel or drum, alone or in conjunction with any other material, or by way of any commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or otherwise.*

Sec. 1306.204. *Permission to Carry Out Contracts Entered into Prior to December 1, 1941.*

Any person who, prior to December 1, 1941, has entered into a contract of sale or other firm commitment calling for the delivery or transfer after that date, of one or more used steel barrels or drums, at prices higher than the maximum prices established by this Schedule, may make application to the Office of Price Administration on Form *143:1,* provided for that purpose, for permission to carry out such contract or commitment at the contract price. Such permission will be granted only when necessary to protect the applicant against loss in the disposition of inventory (a) acquired prior to December 1, 1941, at prices higher than the established maximum prices and held by the applicant on that date, and (b) acquired by the applicant pursuant to permission granted by the Office of Price Administration to such applicant and his vendor under this Section. Such application shall be filed with the Office of Price Administration on or before December 15, 1941. No permission will be granted to make delivery of used steel barrels or drums on or after January 15, 1942, at prices higher than the established maximum prices.*

Sec. 1306.205. *Records and Reports.*

Every person making purchases or sales of used steel barrels or drums after December 1, 1941, shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of (a) each such purchase or sale, showing the date thereof, the name and address of the buyer or the seller, the price paid or received, and the quantity of each kind or grade purchased or sold, and (b) the quantity of used steel barrels or drums (1) on hand, and (2) on order, as of the close of each calendar month.

Persons affected by this Schedule shall submit such reports to the Office of Price Administration as it may, from time to time, require.*

Sec. 1306.206. *Enforcement.*

In the event of refusal or failure to abide by the price limitations, record requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will make every effort to assure (a) that the Congress and the public are fully informed thereof; (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities, failures to comply with this Schedule, and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of used steel barrels or drums, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

Sec. 1306.207. *Modification of the Schedule.*

Persons complaining of hardship or inequity in the operation of this Schedule may apply

Copyright, December 6, 1941, The Research Institute of America, Inc.

to the Office of Price Administration for approval of any modification thereof or exception therefrom: Provided, That no application under this section will be considered unless filed by persons complying with this Schedule.*

Sec. 1306.208. *Definitions.*

When used in this Schedule, the term

(a) "person" means an individual, partnership, association, corporation, or other business entity;

(b) "reconditioned steel barrel or drum" means a used steel barrel or drum which has been washed and painted, de-dented, chained, welded, or subjected to any other reconditioning process by which a raw barrel or drum is made fit for re-use;

(c) "raw used steel barrel or drum" means a barrel or drum which has been emptied but which has not been subjected to any reconditioning process;

(d) "user" means the person who uses the barrel or drum as a container for shipment or storage of his products.*

Sec. 1306.209. *Effective Date of the Schedule.*

This Schedule shall become effective December 1, 1941.*

Sec. 1306.210. *Appendix A—Maximum Prices for Used Steel Barrels or Drums.*

(a) *Maximum price for reconditioned steel barrels or drums, size 50 to 55 gallons, 18 gauge.*

The maximum price for reconditioned steel barrels or drums, size 50 to 55 gallons, 18 gauge, except reconditioned barrels or drums which have been lacquer relined and baked, shall be $2.25 per barrel or drum, delivered to a purchaser situated within a radius of 50 miles from the plant where the barrel or drum was reconditioned: Provided, That for each 75 miles or fraction thereof, in excess of 50 miles from the plant where the barrel or drum was reconditioned, all actual charges for transportation or the sum of ten cents per barrel or drum, whichever is lower, may be added: Provided further, That where a barrel or drum is reconditioned and delivered in the States of California, Washington, and Oregon, the sum of fifty cents may be added to the above maximum charges.

(b) *Maximum price for lacquer-relined and baked drums, size 50 to to 55 gallons, 18 gauge.*

The maximum price for reconditioned steel barrels or drums, size 50 to 55 gallons, 18 gauge, which have been lacquer-relined and baked, shall be the maximum prices set forth in paragraph (a) above, to which may be added the sum of twenty-five cents per barrel or drum.

(c) *Maximum price for raw used drums, size 50 to 55 gallons, 18 gauge.*

Except as provided in paragraph (d) below, the maximum price for raw used steel barrels or drums, size 50 to 55 gallons, 18 gauge, shall be $1.60 per barrel or drum delivered to the plant of the user or reconditioner:

Provided, That in the States of California, Washington, and Oregon, the sum of forty cents per barrel or drum may be added.

(d) *Maximum price for raw used drums in case of direct purchases by user.*

The maximum prices for raw used steel barrels or drums, size 50 to 55 gallons, 18 gauge, purchased by a user directly from the person who empties the barrels or drums, shall be $1.25 per barrel or drum f.o.b. point where barrel or drum is emptied: Provided, That in the States of California, Washington, and Oregon, the sum of 40 cents per barrel or drum may be added.

(e) *Maximum price for other reconditioned drums.*

The maximum delivered price for reconditioned steel barrels or drums, other than those covered by paragraphs (a) and (b) above, shall be 80% of the delivered price, excluding extras, quoted by the Rheem Manufacturing Company, a corporation, or by the Wheeling Corrugating Company, a corporation, when delivered in carload lots, of new, black, hot-rolled steel barrels or drums of the same type and size:

Provided, That for each 75 miles or fraction thereof in excess of 50 miles from the plant where the barrel or drum was reconditioned, all actual charges for transportation or the sum of ten cents per barrel or drum, whichever is lower, may be added.

(f) *Maximum price for other raw used drums.*

The maximum delivered price for raw used steel barrels or drums, other than those covered by paragraphs (c) and (d) above, delivered to the plant of the user or reconditioner, shall be 65 cents less than the maximum price provided in paragraph (e) above for a reconditioned barrel or drum of the same size and type.

Issued this 24th day of November, 1941.

.....

LEON HENDERSON, *Administrator.*

* Sections 1306.201 to 1306.210, inclusive, issued pursuant to authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483

Vf·1,003. Form 143:1—report on commitments at higher than maximum prices. The following form must be used in applying for permission to carry out commitments for the sale of used drums at prices above those set by Price Schedule No. 43:

Form No. 143:1

Office for Emergency Management
Office of Price Administration
(This Report must be filed on or before December 15, 1941.)

Used Drums

Date Submitted.....

..... By.....
(Name of Reporting Company) (Signature)

Title..... .....
(Office Held) (Address)

The above-named company, in compliance with Section 1306.204 of Price Schedule No. 43 (effective December 1, 1941), herewith reports all commitments for the sale of used drums, remaining open as of the close of business December 1, 1941, which are to be completed at contract prices higher than the maximum prices established by the amendments to Price Schedule No. 43. There was on hand in the above-named company's plant or warehouse on December 1, 1941, sufficient used drums to carry out all of these commitments.

A. *Inventory on Hand, 12/1/41:*

(a) *Type*	(b) *Cost*	(c) *Length of Time Held*

B. *Turnover*

	(a) *Purchased*	(b) *Sold*	(c) *Value of Sales*
(1) Jan.- Sept. 1941			
(2) October 1941			

C. *Contracts Outstanding, 12/1/41:*

(a) *Name & Address of Purchaser*	(b) *Date of Contract*	(c) *Type of Drum*	(d) *Quantity*	(e) *Price*	(f) *Date of Delivery or Freight Shipment*

Subscribed and sworn to this.....
day of ....., 1941.
.....
Notary

Vf·1,004. Deposit charges on used drums. Confusion was caused by Price Schedule No. 43 with regard to deposits on drums charged to protect the shipper against loss of the drums in which he ships the merchandise.

observation: The practice of the user in retaining title and insuring return of drums by high deposit charges is legal. Although not specifically authorized by Price Schedule No. 43, the practice is allowed because:

1. It was a former trade practice of the smaller firms;

2. Since new drums are under priorities, firms are allowed to protect themselves by retaining the drums they have.

Copyright, December 22, 1941, The Research Institute of America, Inc.

Steel Producers—Blanket Rating

Vf·1,025. Amendment No. 2 to P-68 facilities acquisition of steel producers operating supplies and sets 1941 inventory base. Producers of iron and steel products will be permitted to use an A-10 rating to obtain office supplies and similar material under the terms of Amendment No. 2 to Preference Rating Order P-68, issued February 27, 1942. Heretofore, the preference ratings assigned under P-68 have been applicable only for material to be used in the actual production of iron and steel products, and the producers have been excluded from the provisions of Preference Rating Order P-100, under which other manufacturers are given an A-10 rating on their orders for operating supplies including office supplies. The basis for inventory restriction in Order P-68 has been shifted by the amendment from a 1940 base period to the most recent calendar half year, and the percentages which may be applied to the base period to measure current receipts and withdrawals have been slightly increased. The order, which was scheduled to expire June 30, 1942, will continue in effect as amended until revoked.

Vf·1,026. Amendment No. 2 and Extension No. 1 of Preference Rating Order P-68.

(a) Preference Rating Order P-68 (Section 1002.1) is hereby amended to read as follows:

Sec. 1002.1 **Preference Rating Order.** For the purpose of facilitating the acquisition of material for operating supplies and for the maintenance and repair of property and equipment used in the production of iron, steel, blast furnace coke, ferroalloys, and detinned iron and steel scrap, preference ratings are hereby assigned to deliveries of such material on the terms hereinafter set forth. Such terms shall control until such time as the War Production Board certifies specific quantities of such material to which the preference ratings herein assigned may be applied.

(a) *Definitions.*

(1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons whether incorporated or not.

(2) "Producer" means any person operating a plant physically situated within the limits of the United States, its territories and possessions, or the Dominion of Canada, and actually engaged in the production of any one or more of the materials or products listed in Schedule A hereto.

(3) "Material" means any commodities, equipment, accessories, parts, assemblies or products of any kind.

(4) "Maintenance" means upkeep necessary to continue the working condition of essential operating equipment used by a Producer at its then current rate of production.

(5) "Repair" means the restoration of property and equipment used by a Producer to a sound working condition after wear and tear, damage, destruction or failure of parts, or the like, have made such property or equipment unfit or unsafe for service.

(6) "Operating Supplies" means any material which is essential to the operation of property and equipment used by a Producer and which is generally carried as producer's stores and charged to operating expense accounts. The term does not include raw materials which enter into or form part of the finished product.

(7) "Supplier" means any person with whom a purchase order or contract has been placed by a Producer or by another Supplier for material

(i) directly required by a Producer for maintenance, repair, or operating supplies, or

(ii) to be physically incorporated in other material so required by a Producer.

(b) *Assignment of Preference Ratings.* Subject to the terms of this Order, the following preference ratings are hereby assigned, but nothing herein contained shall prevent the use of any other or higher rating to which any person may be entitled by reason of any other Preference Rating Certificate or Order:

(1) A-1-a to deliveries to a Producer of material for repair of property or equipment used in and essential to the production of any one or more of the materials or products listed in Schedule A hereto, when and only when there has been an actual breakdown or suspension of operations because of damage, wear and tear, destruction or failure of parts, or the like, and the essential repair parts are not otherwise available.

(2) A-1-c to deliveries to a Producer of material, described in paragraph (b) (1), up to the minimum required to make reasonable advance provision to avert an actual breakdown of existing facilities or suspension.

(3) A-3 to deliveries to a Producer of material for other repairs to, for maintenance of, and for operating supplies for, property and equipment used in and essential to the production of any one or more of the materials or products listed in Schedule A hereto.

(4) A-3 to deliveries to a Supplier of material for delivery to a Producer pursuant to paragraph (b) (1), (2), or (3), or to be physically incorporated in such material.

(5) A-10 to deliveries to a Producer of material for all other repairs, maintenance, and operating supplies.

(6) A-10 to deliveries to a Supplier of material for delivery to a Producer pursuant to paragraph (b) (5), or to be physically incorporated in such material.

(c) *Persons Entitled to Apply Preference Ratings.* The preference ratings hereby assigned may, in the manner and to the extent hereby authorized, be applied by:

(1) A Producer;

(2) Any Supplier of material to the delivery of which a preference rating has been applied as provided in paragraph (d).

(d) *Application of Preference Rating.*

(1) No Producer shall apply any preference rating assigned by paragraph (b) until

(i) It shall have filed with the Iron and Steel Branch, War Production Board, a statement in the form prescribed by the Director of Industry Operations, setting forth amounts of material used for repair, maintenance and operating supplies for the preceding calendar half-year and inventories of such material at the beginning and end of such period and further stating that it accepts the terms and conditions of this Order.

(ii) It shall have received from the Iron and Steel Branch, War Production Board, a Serial Number which shall thereafter be endorsed on all purchase orders or contracts for material by it or for its account which are rated pursuant to this Order.

(2) A Producer, in order to apply the A-1-a preference rating assigned by paragraph (b) (1) or the A-1-c preference rating assigned by paragraph (b) (2), must communicate with the Iron and Steel Branch, War Production Board, describing the material needed for emergency repair and the nature of the emergency, or the reasons why advance provision is necessary to avert breakdown or suspension. The Director of Industry Operations will notify such Producer whether, and to what extent, its application is approved, and a copy of such notification shall be furnished by the Producer to its Supplier to evidence the A-1-a or A-1-c rating.

(3) A Producer or a Supplier, in order to apply any preference rating assigned by paragraph (b) must endorse the

Copyright, March 18, 1942, Research Institute.

following statement on the original and all copies of the purchase order or contract for such material, signed by a responsible official duly designated for such purpose by such Producer or Supplier;

"Material for Repair, Maintenance, or Operating Supplies of an Iron, Steel, Blast Furnace Coke, or Ferroalloys Plant, Rating A-..... under Preference Rating Order P-68, Serial No. ..... and in compliance therewith.

.....
(Name of Producer or Supplier)

By.....
(Authorized Signature)"

Such purchase order or contract so endorsed shall be delivered to the seller of such material. Such endorsement shall constitute a certification to the War Production Board that the terms of the Preference Rating Order are accepted and that such material is required for the purposes stated therein. Such purchase order or contract must be in writing and shall be restricted to material the delivery of which is rated in accordance herewith. With respect to any purchase order or contract for such material placed before October 31, 1941, such preference rating may be applied by delivering to the seller a duplicate copy of such purchase order or contract so endorsed.

(4) A Producer or Supplier placing any such rated purchase order or contract and the seller of the material covered thereby must each retain endorsed copies of all such purchase orders or contracts segregated from all other purchase orders or contracts for a period of two years from the date thereof, for inspection by authorized representatives of the War Production Board.

(e) *Restrictions on Use of Rating.*

(1) *Restrictions on Producer.* The Producer may not apply any rating hereby assigned to obtain delivery of material on earlier dates than required for the operation, maintenance or repair of its property or equipment.

(2) *Restrictions on Supplier.*

(i) No Supplier may apply the rating to obtain material in greater quantities or on earlier dates than required to enable him to make on schedule a delivery rated hereunder or, within the limitations of (ii) and (iii) below, to replace in his inventory material so delivered. He shall not be deemed to require such material if he can make his rated delivery and still retain a practicable working minimum inventory thereof; and if, in making such delivery, he reduced his inventory below such minimum, he may apply the rating only to the extent necessary to restore his inventory to such minimum.

(ii) A Supplier who supplies material which he has in whole or in part manufactured, processed, assembled or otherwise physically changed may not apply the rating to restore his inventory to a practicable working minimum unless he applies the rating before completing the rated delivery which reduces his inventory below such minimum.

(iii) A Supplier who supplies material which he has not in whole or in part manufactured, processed, assembled or otherwise physically changed may defer applications of the rating hereunder to purchase orders or contracts for such material to be placed by him until he can place a purchase order or contract for the minimum quantity procurable on his customary terms; provided, that he shall not defer the application of any rating for more than three months after he becomes entitled to apply it.

(f) *Restrictions of Inventory.*

(1) A Producer shall not, during any calendar quarter, accept, and a Supplier shall not knowingly make to a Producer, deliveries (whether or not rated pursuant to this Order) of any material to be used as operating supplies or for maintenance or repair the aggregate dollar volume of which shall exceed 55 percent of the aggregate dollar volume of the withdrawals for such purposes by the Producer from stores or inventory during the preceding calendar half-year unless such deliveries shall be specifically authorized in advance by the War Production Board on the Producer's application therefor.

(2) A Producer shall not at any time accept deliveries (whether or not rated pursuant to this Order) of any material to be used as operating supplies or for maintenance or repair until the Producer's inventory and stores of such material have been reduced to a reasonable minimum, unless such delivery shall be specifically authorized in advance by the War Production Board on the Producer's application therefor. Such reasonable minimum shall in no case exceed 125 percent of the aggregate dollar volume of such material in inventory and stores on the last day of the preceding calendar half-year.

(3) A Producer shall not, during any calendar quarter, make withdrawals from stores or inventory of any material to be used as operating supplies or for maintenance or repair the aggregate dollar volume of which shall exceed 55 percent of the aggregate dollar volume of the withdrawals of such material during the preceding calendar half-year, unless such withdrawals shall be specifically authorized in advance by the War Production Board on the Producer's application therefor.

(g) *Relief.* If the sound working condition of a Producer is adversely affected by any provision or application of this Order or by inability to obtain material essential for repair, maintenance or operating supplies, the Producer may apply for relief to the Director of Industry Operations. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(h) *Resale of Material Prohibited.* Except with specific permission of the Director of Industry Operations, a Producer shall not resell any material acquired for repair, maintenance or operating supplies (whether or not obtained pursuant to rating assigned by this Order); provided, that nothing herein contained shall prohibit sale by the Producer of used material acquired prior to October 31, 1941.

(i) *Conservation and Standardization.* Every person affected by this Order shall use his best efforts to effectuate conservation of materials by elimination, simplification or standardization of types, sizes or forms or otherwise, and shall cooperate in any program developed for such purpose by the War Production Board. The Director of Industry Operations may from time to time issue specific directions as to conservation.

(j) *Records, Audits and Reports.* Each Producer and each Supplier shall keep and preserve for a period of not less than two years accurate and complete records of all transactions affected by this Order and shall submit from time to time to audit and inspection by duly authorized representatives of the War Production Board. Each Producer and each Supplier shall execute and file with the War Production Board or other designated agency such reports and in such form as the War Production Board shall from time to time require. Until further direction, on March 31, 1942, and semi-annually thereafter, each Producer shall file on Form PD-228 a report for the preceding calendar half-year.

(k) *Violations.* Any Person who wilfully violates any provision of this Order or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order may be prohibited from receiving further deliveries of any Material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35(A) of the Criminal Code (18 U.S.C. 80).

(l) *Revocation or Modification.* This Order may be revoked or modified by the Director of Industry Operations at any time as to any Producer or Supplier. In the event of revocation or modification, or upon expiration of this Order, deliveries already rated pursuant to this Order shall be completed in accordance with said rating, unless said rating has been specifically revoked or modified with respect thereto. No additional application of said rating to any other deliveries shall thereafter be made by any Producer or Supplier affected by such revocation, modification or expiration.

(m) *Amendment of Prior Orders.* The provisions of Preference Rating Orders P-22 and P-100 shall not apply to deliveries to which a preference rating is assigned by this Order.

(n) *Effective Date.* This Order shall take effect immediately and shall continue in effect until revoked.

(b) This amendment and extension shall take effect immediately.

(P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561; E.O. 9024, Jan. 16, 1942, 7 F.R. 229; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session.)

Issued this 27th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Schedule A to Preference Rating Order P-68

1. Pig iron and ferroalloys.

2. The following iron and steel products, including alloys: Ingots, blooms (including forged), billets (including forged), slabs (including forged), tube rounds, sheet and tin bars, structural shapes, piling, plates (universal and sheared), rails,

tie plates, track spikes, splice bars, rail joints, hot rolled bars (including hoops and bands and concrete reinforcing bars), cold finished bars, pipe and tubes (except conduit), wire rods, wire as drawn (not including further fabrications therefrom), black plate, tin and terne plate, sheets, strip, tool steel bars (including high speed), steel wheels and axles (for railroad use only), railroad locomotive tires, armor plate, ordnance forgings, steel castings (rough as cast), skelp, rolling mill rolls, ingot molds.

3. Coke for use in the production of pig iron and ferroalloys.

4. Detinned scrap iron and steel, and tin produced in the detinning process.

Copyright, March 18, 1942, Research Institute,

Steel Castings—Price Control

Vf·1,050. Price ceilings on low carbon and low-alloy steel castings. Maximum prices for low carbon and low-alloy steel castings of all types were established in a schedule issued November 14, 1941, by OPA, after extensive studies in the field and discussions with the Steel Castings Advisory Panel. The Price Administrator pointed out that castings are a cost element in practically every industry which uses machinery, and price stability in this field is, therefore, essential for the entire defense effort. The price schedule covers all types of castings, both railroad specialties and miscellaneous, mass production and special order items. Prices prevailing on July 15, 1941 are set as the maximum. Except for railroad specialties, these prices will approximate those contained in the "Comprehensive Report of Price Lists of Miscellaneous Castings" issued by the Steel Founders' Society of America for the third quarter of 1941.

Vf·1,051. Digest of Price Schedule No. 41—steel castings.

Subject: Carbon and low-alloy steel castings; railroad specialty and miscellaneous castings.

Effective date: November 15, 1941.

Persons affected: Producers and buyers.

Price limitations: Prices of July 15, 1941, or prices contained in the "Comprehensive Report of Price Lists of Miscellaneous Castings" set as maximum. On castings not previously produced and being part of an order totaling $100 or more, estimate sheet, description, and selling price to be filed with OPA (except if priced in accordance with the "Comprehensive Report").

Filing of prices: On or before December 1, 1941 every producer to file with OPA detailed price lists as of July 15, 1941.

Records, reports, etc.: (1) Buyer and seller to keep for one year detailed records of purchases, sales, stock on hand and on order.

(2) On January 10, 1942 and monthly thereafter every producer to submit to OPA sworn statement of compliance on Form 141:1.

Vf·1,052. Text of Price Schedule No. 41—steel castings. The following is the full text of Price Schedule No. 41 for steel castings, issued on November 14, 1941:

PART 1306—IRON AND STEEL

PRICE SCHEDULE NO. 41—STEEL CASTINGS

The production of steel castings plays a critical role in the whole defense program. Steel castings at reasonable prices are essential to the increased flow of machines, tanks, ships, airplanes, guns, and, indeed, every variety of military and naval supplies, from the assembly line to the front line of the nation's defense.

Since January 1, 1941 the prices of steel castings have advanced to a point where a further increase would create pressure to raise the prices of ordnance, transportation equipment, and machinery of every description and cause unwarranted risk to our enlarged defense program in terms of delay and useless expense.

After a thorough investigation of costs and other factors relevant to the production and sale of steel castings and after numerous conferences with representatives of all branches of the steel castings industry, it has been decided in the interest of national defense and the public welfare, to establish maximum prices for steel castings of every description whatever.

Accordingly, under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

Sec. 1306.100. *Maximum Prices for Steel Castings.*

On and after December 1, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, no producer shall sell, offer to sell, deliver, or transfer steel castings of any description whatever, previously made by him, and no person shall buy, offer to buy, or accept delivery of such steel castings, at prices higher than the prices, together with the extras, terms, and conditions, which were or would have been charged by such producer on July 15, 1941, and which, following December 1, 1941, are filed with the Office of Price Administration in accordance with Section 1306.104.*

Sec. 1306.101. *Less than Maximum Prices.*

Lower prices than those set forth in Section 1306.100 may be charged, demanded, paid, or offered.*

Sec. 1306.102. *Castings Not Previously Produced.*

Any producer undertaking to make a steel casting, which is part of an order totaling $100 or more, which has not previously been made by such producer, and which is substantially different in design from any steel casting previously made by such producer, shall file with the Office of Price Administration a copy of the Estimate Sheet for each such steel casting, with an explanation thereof, together with a clear description and the selling price: Provided, That where such steel casting is priced in accordance with the "Comprehensive Report" such producer shall not be required to file with the Office of Price Administration the documents mentioned in this section.*

Sec. 1306.103. *Evasion.* The price limitations set forth in Section 1306.100 shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, delivery or transfer of steel castings, alone or in conjunction with any other material, or by way of any commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or otherwise.*

Sec. 1306.104. *Filing of Prices.* On or before December 1, 1941, every producer shall file with the Office of Price Administration the price or prices, extras, terms, and conditions, classified by size and quantity, in accordance with which he sold or would have sold steel castings subject to Section 1306.100, on July 15, 1941. Provided, That where such price or prices coincide with the "Comprehensive Report" the producer need only signify that such prices do coincide with those listed in said "Comprehensive Report."*

Sec. 1306.105. *Records and Reports.* Every person making purchases or sales of steel castings after November 15, 1941, shall keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of (a) each such purchase or sale, showing the date thereof, the name and address of the buyer or the seller, the price paid or received, and the quantity of each kind purchased or sold, and (b) the quantity of steel castings (1) on hand, and (2) on order, as of the close of each calendar month.

Persons affected by this Schedule shall submit such reports to the Office of Price Administration as it may, from time to time, require.*

Sec. 1306.106. *Affirmations of Compliance.* On or before January 10, 1942, and on or before the 10th day of each month thereafter, every producer who, during the preceding calendar month has sold steel castings, whether for immediate or future delivery, shall submit to the

Copyright, November 29, 1941, The Research Institute of America, Inc.

Office of Price Administration an affirmation of compliance on Form 141:1, containing a sworn statement that during such month all such sales were made at prices in compliance with this Schedule or with any exception therefrom or modification thereof. Copies of Form 141:1 can be procured from the Office of Price Administration, or, provided that no change is made in the style and content of the Form and that it is reproduced on 8x10½" paper, they may be prepared by persons required to submit affirmations of compliance hereunder.*

Sec. 1306.107. *Enforcement.* In the event of refusal or failure to abide by the price limitations, record requirements, or other provisions of this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions of this Schedule, the Office of Price Administration will make every effort to assure (a) that the Congress and the public are fully informed thereof; (b) that the powers of Government, both state and federal, are fully exerted in order to protect the public interest and the interests of those persons who comply with this Schedule; (c) that full advantage will be taken of the cooperation of the various political subdivisions of state, county, and local governments by calling to the attention of the proper authorities, failures to comply with this Schedule; and (d) that the procurement services of the Government are requested to refrain from selling to or purchasing from those persons who fail to comply with this Schedule. Persons who have evidence of the offer, receipt, demand or payment of prices higher than the maximum prices, or of any evasion or effort to evade the provisions hereof, or of speculation, or manipulation of prices of steel castings, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration.*

Sec. 1306.108. *Modification of the Schedule.* Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: Provided, That no application under this section will be considered unless the person making such application shall have, to the satisfaction of the Office of Price Administration, complied with this Schedule.*

Sec. 1306.109. *Definitions.* When used in this Schedule, the term

(a) "person" means an individual, partnership, association, corporation, or other business entity.

(b) "producer" means a person engaged in the production of steel castings.

(c) "steel castings" means any cast steel object that has been intially cast into the desired shape of the finished product, and which contains less than 1.70% carbon and/or alloys totaling not more than 8%, and includes both railroad specialty and miscellaneous steel castings.

(d) "Comprehensive Report" means the "Comprehensive Report of Price Lists of Miscellaneous Castings," published by the Steel Founders' Society of America, for the third quarter of 1941, beginning July 1, 1941.*

Sec. 1306.110. *Effective Date of the Schedule.* This Schedule shall become effective November 15, 1941.*

Issued this 14th day of November, 1941. LEON HENDERSON, *Administrator.*

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL

.....

JOHN E. HAMM, *Deputy Administrator.*

* Sections 1306.100 to 1306.110, inclusive, issued pursuant to authority contained in Executive Orders Nos. 8734, 8875, 6 F.R. 1917, 4483.

Vf·1,053. Form 141:1—affirmation of compliance for producers of steel castings. The following is the monthly sworn statement of compliance to be filed by producers:

Form 141:1

Affirmation of Compliance for Producers of Steel Castings [1]

For the purpose of making an affirmation of compliance with Price Schedule No. 41 of the Office of Price Administration, required by Section 1306.106 thereof, I have examined the records for the month of ....., 194.., of ....
(Name of Producer) (Address)
of which I am ..... During that period the above-named concern has not sold or delivered steel castings at prices in excess of those established by the aforesaid Price Schedule No. 41.

Subscribed and sworn to before me
this ..... day of ....., 194...

.....
(Signature)

.....
(Notary Public)

My Commission expires

[1] This affirmation must be signed by the producer or by a partner or officer of the producer.

Copyright, December 30, 1941, The Research Institute of America, Inc.

Steel Plate—Allocation

Vf·1,075. Order M-21-c formalizes plate allocation system. Order M-21-c which formalizes the allocation system on steel plates announced on February 17 was made public March 9, 1942. Plate allocations formerly were carried out under General Allocations Order No. 1 which was replaced by M-21-c to conform to the general system of numbering. The order changes the definition of plates to include stainless steel but otherwise follows the plate allocation and reporting system previously in force.

Supplementary Order M-21-c—Plates

(a) Section 962.4 (General Allocation Order No. 1—Plates) is hereby amended to read as follows:

Sec. 962.4 **Supplementary Order M-21-c** (a) *Definitions.* For the purposes of this Order:

(1) When applied to carbon steel and alloy steel (except stainless steel), the term "plates" means flat hot rolled steel products, including skelp and floor plates:

Over 6 inches wide and ¼ inch or more thick, or

Over 6 inches wide and weighing 10.2 pounds or more per square foot, or

Over 48 inches wide and $\frac{3}{16}$ inch or more thick, or

Over 48 inches wide and weighing 7.65 pounds or more per square foot.

(2) When applied to stainless steel, the term "plates" means flat hot rolled steel products:

10 inches or more wide and $\frac{3}{16}$ inch or more thick, or

10 inches or more wide and weighing 7.65 pounds or more per square foot.

(b) *Customers' Reports.* Each person desiring to obtain plates from a Producer shall file with such Producer and with the War Production Board monthly reports of requirements on Form PD-298, and shall file with the War Production Board monthly reports of inventory and consumption on Form PD-299.

(c) *Producers' Reports.* Each Producer shall file with the War Production Board monthly schedules on Forms PD-169 and PD-169A showing all plates requested by customers on Form PD-298 for shipment by the Producer during the following month. The Director of Industry Operations may make such changes in such schedules as to him shall seem appropriate, and may from time to time issue supplementary instructions with respect thereto.

(d) *Restrictions on Deliveries.* (1) No Producer shall deliver plates and no person shall accept delivery thereof from a Producer, except pursuant to a preference rating of A-10 or higher or a specific allocation issued by the Director of Industry Operations.

(2) No Producer shall deliver plates except in accordance with such Producer's schedule on Form PD-169 as modified, or with such supplementary instructions as may from time to time be issued by the Director of Industry Operations.

(3) After March 31, 1942, no Producer shall deliver plates to any person, and no person shall accept delivery thereof from a Producer, unless such plates have been reported on Form PD-298 filed by such person or have been specifically allocated to such person by the Director of Industry Operations.

(e) *Effective Date.* This Order shall take effect immediately.

(f) This amendment shall take effect immediately.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Copyright, March 26, 1942, Research Institute.

Chromium—Allocation

Vf·2,000. Importance of chromium. Vital in defense, chromium metal is required for hardening steel, for the production of high-speed cutting tools, for the manufacture of refractory brick for lining steel furnaces, and for many chemical uses. A whitish metal, capable of taking a brilliant polish, harder than iron or nickel, chromium is used widely in both civilian and defense channels. A typical civilian use is for high-strength steel used in the automobile industry. A typical military use is for increasing the toughness and shock-resistance of ordinary steel.

The United States is dependent almost wholly on imports for its supplies of chromite ore. Most of the United States supply of chromite ore in recent years has come from Africa, the Philippines and Turkey. Approximately 2½ tons of metallurgical ore are required to make one ton of ferro-chromium, ferro-chromium being between 60% and 70% pure chromium. About 75% of the ore is used in the steel industry, both for alloying purposes and for use in refractory materials for furnaces.

The government stockpile is not large enough, consumption is moving up, and the increasing pressure on shipping space may restrict imports in future months. Conservation of chromium and the building up of stockpiles are major reasons for putting chromium under a priority system. Current figures indicate that the consumption of chromite ore in this country at the present time is at the rate of between 750,000 and 800,000 long tons. The future rate of imports is not assured. Since almost all chromite ore used in this country is imported, increased pressure on shipping space or any other developments which tended to cut off the supply would cause a very serious situation.

Vf·2,001. Scope of chromium priority system under General Preference Order No. M-18. Chromium was put under full priority control on July 7, 1941 by means of General Preference Order No. M-18. The order has five main points:

(1) It provides that all defense orders carry a preference rating of A-10 unless higher ratings are specifically assigned.

(2) It provides that monthly deliveries of chromium for use in the manufacture of chemical products must be limited to the average monthly consumption of the processor over the 12-month period of July 1, 1940 to June 30, 1941.

(3) The order states that deliveries by processors of chromium for refractory material can be made only under defense orders or for necessary maintenance and repairs, except when the Director of Priorities provides otherwise.

(4) The order provides that, after the satisfaction of defense orders and all other terms of the order, deliveries for non-defense purposes may be made.

(5) It provides restrictions against the building up of excessive inventory.

Vf·2,002. Text of General Preference Order M-18. The following is the text of General Preference Order No. M-18, relating to the distribution of chromium, issued July 7, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MINAGEMENT

Subchapter B—PRIORITIES DIVISION

Part 949—CHROMIUM

GENERAL PREFERENCE ORDER M-18

To Conserve the Supply and Direct the Distribution of Chromium

WHEREAS, it is found that there exist certain serious shortages of chromium, as hereinafter defined, which may increase in the future by reason of the fact that the present and future domestic supply and probable future imports are now and may be insufficient for all defense and civilian needs, and it is further found that such shortages will prevent the obtaining of priority for deliveries of that material under present and future Naval and Army contracts and orders and related subcontracts and suborders unless the total present and future supply thereof be conserved and the present and future distribution directed, and it is further found that the best interests of the national defense require the exercise of the power conferred upon me to direct and insure such priority;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

949.1 GENERAL PREFERENCE ORDER. (a) *Definitions.* For the purpose of this Order:

(1) The term "chromium" means and includes:

(i) Ores or concentrates containing chromium (commercially recognized);

(ii) The element chromium in pure form, ferro-chromium, and other combinations with other elements in semi-manufactured or un-manufactured form, prepared for consumption in the manufacture of steel, in the form of briquettes or otherwise;

(iii) All chemical combinations having chromium as an essential and recognizable component;

(iv) Those products containing chromium known commercially as refractory bricks or refractory material;

(v) All scrap or secondary material containing chromium as defined in (i), (ii), (iii), and (iv), above.

(2) The term "person" means and includes any individual, partnership, association, corporation, or other form of business enterprise.

(3) The term "producer" is hereby defined as any person who mines or otherwise produces natural materials containing recoverable quantities of chromium.

(4) The term "processor" is hereby defined as any person who prepares ores, concentrates, and primary or secondary chemical or metallurgical forms of chromium for:

(i) Consumption by producers of steel in order to form various alloy steels;

(ii) Consumption by any other industries for any purpose whatsoever.

(5) The term "dealer" is hereby defined as any person who imports or procures domestically for storage or resale, any chromium; including selling agents, warehousemen or other commercially recognized agents acting on their own account or for others, and whether or not such person acquires title thereto.

(6) "Defense Orders" mean contracts or orders for material, unfinished, semifinished, or finished, which at any stage of production enters into, or is used for, the manufacture, processing or fabrication of products to be delivered to or for the account of:

(i) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, Coast Guard, Civil Aeronautics Authority, National Advisory Committee for Aeronautics, the National Defense Research Council;

 Copyright, October 17, 1941, The Research Institute of America, Inc.

(ii) The Government of Great Britain, and the Government of any other country whose defense the President deems vital to the defense of the United States under the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States";

(iii) Any other Government Agency or any person, when the Director of Priorities determines that such contracts or orders cover defense requirements, direct or indirect, of the United States and shall have assigned a preference rating of A-10, or higher, thereto.

(b) *Deliveries.* Deliveries of chromium by any producer, dealer, or processor shall be made only in accordance with the following directions:

(1) Deliveries under all Defense Orders which do not bear a higher preference rating are hereby assigned a preference rating of A-10.

(2) Preference ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., . . . A-1-j, A-2, A-3, etc., . . . A-10; BB, B-1, B-2, etc., . . . B-8, AA being the highest rating, and B-8 the lowest presently assigned. Except under specific direction of the Director of Priorities, *A* ratings are assigned only to Defense Orders and *B* ratings to civilian orders.

(3) Every delivery to which a preference rating has been assigned shall be made upon the date or dates required by the Preference Rating Certificate issued to apply to such delivery, or, if no Cetrificate has been issued, then upon the date or dates specified in the contract or order therefor. The sequence of deliveries bearing the same preference rating shall be governed by the delivery dates specified in the contracts or orders therefor. Deliveries bearing no preference rating or a lower preference rating shall be deferred to the extent necessary to assure those deliveries bearing a higher preference rating, even though such deferment may cause a default under an existing contract or order.

(4) Each person making deliveries must so schedule his production and deliveries that deliveries bearing a preference rating will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings. Nothing herein contained shall prevent a person from accepting a contract or order bearing a rating higher than other contracts or orders previously accepted, although such acceptance may necessitate deferment of deliveries under contracts or orders previously accepted.

(5) Whenever there is doubt as to the preference rating applicable to any delivery, the matter is to be referred to the Division of Priorities for determination, with a statement of all pertinent facts.

(6) Any person who obtains a delivery of any chromium under specific direction of the Director of Priorities or a delivery bearing a preference rating, must use such chromium, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the direction or rating.

(7) Preference ratings may be assigned, and other specific directions may be issued, from time to time, by the Director of Priorities with respect to deliveries under contracts or orders other than Defense Orders, including deliveries from any supply of chromium owned or controlled by the Metals Reserve Corporation. Any such assignments of preference ratings, or other directions with respect to deliveries under contracts or orders other than Defense Orders and among competing civilian demands will be made by the Director of Priorities in accordance with such program as the Office of Price Administration and Civilian Supply may determine.

(8) Except as hereinafter limited, deliveries may be made under contracts or orders other than Defense Orders in the absence of such ratings or directions, after compliance with the preference ratings assigned to Defense Orders.

(9) No producer or dealer, during any calendar month, shall use chromium or deliver chromium to any processor to be used in the manufacture of chemical products, in quantities which will exceed, by weight, one-twelfth (1/12) of such processor's average annual consumption of such material for the period from July 1, 1940, through June 30, 1941, and

no processor shall accept deliveries in quantities which would effect such an excess unless specifically authorized by the Director of Priorities.

(10) No processor of refractory brick or refractory material containing chromium shall make deliveries of such material to any customer except for the fulfillment of Defense Orders or for necessary repairs or replacements and no customer shall accept deliveries of such material to be used for other purposes unless specifically authorized by the Director of Priorities.

(11) In addition to the foregoing limitations in subparagraphs (9) and (10), no person shall knowingly make delivery of chromium, and no person shall accept delivery thereof in an amount or quantity which will increase for any current month the inventory of chromium of the person accepting delivery, in the same or other forms, in excess of the an amount or quantity necessary to meet required deliveries of the products of the person accepting delivery, on the basis of his current method and rate of operation. This provision shall not prohibit or restrict:

(i) Deliveries for direct export out of the United States, provided that such exports shall have been licensed by the Administrator of Export Control:

(ii) Deliveries of imported material to any dealer or processor importing the same, either directly or through an agent.

(c) *Records, Information and Inspection.* All persons affected by this Order shall keep and preserve, for a period of not less than two years, accurate and complete records of their inventories of chromium, and of the details of all transactions in any way regulated or affected by this Order. Such records shall include the dates of all contracts or orders accepted; the delivery dates specified in such contracts or orders, and in any Preference Rating Certificates accompanying them; the dates of actual deliveries thereunder; description of the material covered by such contracts or orders; description of deliveries by classes, types, quantities, and weights; the preference ratings, if any, assigned to such contracts or orders or to deliveries thereunder; the parties involved in each transaction; their sources of supply of ores or concentrates containing chromium; and other pertinent information. All records specified in this paragraph shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Division of Priorities. All persons affected by this Order shall execute and file with the Division of Priorities such reports and questionnaires as said Division shall from time to time request. No reports or questionnaires are to be filed by any person until Forms therefor are prescribed by the Division of Priorities. All processors of chromium into ferrochromium or briquettes shall furnish such information as may be required by the Division of Priorities not later than the twenty-fifth (25th) day of each calendar month on such Form or Forms as may be prescribed by the Division of Priorities from time to time. Until further Order by the Director of Priorities, no person who produces chromium by mining such material shall be required to file any report with the Division of Priorities so long as such person regularly files whatever reports may be requested by the Bureau of Mines.

(d) *False Statements.* Any person who wilfully falsifies the records referred to in paragraph (c), above, or any other records which he is required to keep by the Director of Priorities, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Division of Priorities, and any person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of chromium. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C.A. Sec. 80).

(e) *Effective Dates.* This Order shall take effect on the 7th day of July, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941. (O.P.M. Reg. 3, March 7, 1941, 6 F.R. 1596; E.O. 8629, January 7, 1941, 6 F.R. 191; see 2(a), Public No. 671, 76th Congress.)

Issued this 7th Day of July, 1941.

.....

E. R. STETTINIUS, JR.,
Director of Priorities.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·2,003. Text of amendment of August 22, 1941, of General Preference Order No. M-18. The following is the text of the amendment to General Preference Order No. M-18, issued August 22, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

SUBCHAPTER B—PRIORITIES DIVISION

Part 949—CHROMIUM

Amendment to General Preference Order No. M-18

Section 949.1 *(General preference order)* is hereby amended as follows:

Paragraph (a) (4) of said section is hereby amended to read as follows:

Sec. 949.1 *General preference order.* (a) *Definitions.*

(4) The term "processor" means any person who uses ores or concentrates for the manufacture of, or converts them into Chromium Chemicals, Chromium Refractories or Metallurgical forms of Chromium.

Paragraph (a) (6) of said section is hereby amended to read as follows:

(6) "Defense Order" means:

(i) Any contract or order for material or equipment to be delivered to, or for the account of:

(a) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and development;

(b) The government of any of the following countries: The United Kingdom, Canada and other Dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, The Kingdom of the Netherlands, Norway, Poland, Russia and Yugoslavia.

(ii) Any contract or order placed by any agency of the United States Government for material or equipment to be delivered to, or for the account of, the government of any country listed above or any other country in the Western Hemisphere pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States," (Lend-Lease Act).

(iii) Any other contract or order to which the Director of Priorities assigns a preference rating of A-10 or higher.

(iv) Any contract or order for material or equipment required by the person placing the same to fulfill his contracts or orders on hand, provided such material or equipment is to be physically incorporated in material or equipment to be delivered under contracts or orders included under (i), (ii), or (iii) above.

Paragraph (b)(9) of said section is hereby amended to read as follows:

(b) *Deliveries.*

(9) No processor shall, during any calendar month, use in the manufacture of Chromium Chemicals from Chromium ores or concentrates, a quantity of Chromium Oxide greater than 1/12 of such processor's total annual consumption of Chromium Oxide for this purpose during the period from July 1, 1940 through June 30, 1941, unless otherwise specifically authorized by the Director of Priorities.

Paragraph (b) is hereby further amended by adding at the end thereof two new subparagraphs to be designated as (12) and (13) respectively, and to read as follows:

(12) *Acceptance of defense orders.* Defense Orders for Chromium, whether or not accompanied by a Preference Rating Certificate, must be accepted and fulfilled in preference to any other contracts, or purchase orders for such material, subject to the following provisions:

(i) Defense Orders shall be accepted even if acceptance will render impossible, or result in deferment of:

(a) Deliveries under non-defense orders previously accepted; or

(b) Deliveries under Defense Orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities.

(ii) Defense Orders need not be accepted:

(a) If delivery on schedule thereunder would be impossible by reason of the requirements of Defense Orders previously accepted bearing higher or equal preference ratings, unless acceptance is specifically directed by the Director of Priorities; or

(b) If the Chromium ordered is not of the kind usually produced or capable of being produced by the person to whom the Defense Order is offered; or

(c) If the person seeking to place the Defense Order is unwilling or unable to meet regularly established prices and terms of sale, but there shall be no discrimination against Defense Orders in establishing such prices or terms of sale; or

(d) If such Defense Orders specify deliveries within twenty-one days, and if compliance with such delivery dates would require the termination or alteration before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated or altered without substantial loss to the producer.

(13) *Rejected orders and deferred deliveries.* When a Defense Order for Chromium has been rejected or delivery thereunder has been unreasonably or improperly deferred in violation of this Order, the person seeking to place such order or obtain such delivery may file with the Division of Priorities a verified report in the form to be prescribed by the Division of Priorities, setting forth the facts in connection with the rejection or deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the person against whom complaint is made to submit a sworn statement, setting forth the circumstances concerning the alleged rejection or deferment. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.

(b) Subject to the amendments herein contained, General Preference Order No. M-18 shall remain in full force and effect.

(c) This Amendment to General Preference Order No. M-18 shall take effect on the 22nd day of August, 1941. (O.P.M. Reg. 3, March 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; Sec. 2(a), Public No. 671, 76th Congress, 3rd Session, as amended by Public No. 89, 77th Congress, 3rd Session; Sec. 9, Public No. 783, 76th Congress.)

Issued this 22nd day of August, 1941.

E R. STETTINIUS, Jr.
Director of Priorities

Vf·2,004. Form PD-53A—Monthly application for chromium required for melting. Reproduced below is Form PD-53A, monthly application for chromium required for melting:

Copyright, October 17, 1941, The Research Institute of America, Inc.

SCHEDULE I

See Instructions on Reverse

FORM PD-53A—MONTHLY APPLICATION FOR CHROMIUM REQUIRED FOR MELTING

NAME OF COMPANY

PLANT (NAME AND LOCATION)

DETAILED APPLICATION FOR CHROMIUM REQUIRED FOR MELTING IN AUGUST 1941

Not to Be Filled Out by Applicant 1	2 Customer's Name	3 (Our) Order Number	4 Prior. Rating	NOT TO BE FILLED OUT BY APPLICANT 5 For Office Code Only	6 Ultimate Use	7 & 8 Chromium	9 SHIPPING WEIGHT TO CUSTOMER OF CONTAINED CHROMIUM (Report in Pounds) A-1 to A-10	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	17 Total	18 Delivery Date Req
For Office Code Only																	
Not to Be Filled Out by Applicant																	
BATCH NO.																	
INDUSTRY																	
STATE																	
COUNTY																	
CENTRAL OFFICE																	
PLANT NO.																	

TOTAL SHIPPING WEIGHT IN POUNDS OF CHROMIUM

CORRESPONDING MELTING WEIGHT IN POUNDS OF CHROMIUM

INSTRUCTIONS FOR SCHEDULE I

I. This schedule deals with materials which must be melted during the one month in order to meet the latest required delivery dates to your customers. All details relating to deliveries during the month, which do not originate with material melted during the month, are to be excluded. Two copies should be returned to the Director of Priorities, Office of Production Management, Washington, D. C.

II. The following definitions and interpretations should be observed in completing the schedule:

Column 2—Customer's Name. In showing the required information broken down by your customers, it is recognized that it may become necessary for you to include an item of "Miscellaneous Customers" to cover certain of your small accounts. If this is found necessary, the information under the heading "Miscellaneous Customers" should be placed as the last item in the schedule, followed by appropriate explanations of the reasons for this treatment, and of the basis you have used in allocating the amounts between the categories shown in Columns 8 to 16.

Material which must be melted during the month for shipment to your own or distributors' warehouses should be grouped together and shown as representing Warehouse Shipments. The basis used in allocating the warehouse shipments between the categories shown in Columns 8 to 16 should be stated.

Column 4—Priority Rating. Include here any specific priority rating assigned or other U. S. A., British or Canadian contract or identification or number establishing the character of the order.

Column 6—Ultimate Use. To the best of your knowledge, state the specific ultimate use of the material.

Column 7—Per cent Chromium Contained. Show the approximate per cent of Chromium contained in the material to be shipped to the customer.

Columns 8 to 16—Show in these columns for each order listed, the actual shipping weight (in terms of chromium content) of the material as shipped to the customer.

Although your products are not subject to the Nickel Steel Priorities Order No. M-5-A, you are nevertheless requested to follow temporarily the principles of preference rating set forth therein, classifying the shipping weight in Columns 8 to 16. For your information, the provisions of this order applying to preference ratings are:

"A. Preference Ratings of A-1 to A-10, inclusive, are hereby assigned to Defense Orders as defined in General Preference Order No. M-5, as amended, and to all other orders to which a Preference Rating in the A classification has been or may hereafter be assigned by the Director of Priorities." (Defense Orders involving chromium are defined, for purposes of classification here, in General Preference Order M-18, Part (a), paragraph 7.)

"B-1. Preference Rating B-1 is hereby assigned to orders (a) for the manufacture of parts for the repair or replacement of existing apparatus, equipment, and devices and (b) for the manufacture of new apparatus, equipment, and devices, in either case under (a) or (b) used directly or indirectly in connection with the manufacture of material which enters in substantial quantity into the fulfillment of Defense Orders, although such orders may not bear specific Preference Ratings." (Some orders for these purposes may carry A-ratings.)

"B-2. Preference Rating B-2 is hereby assigned to orders for the manufacture of parts for the repair or replacement of existing apparatus, equipment, and devices which must continue to operate in order to preserve essential production and services.

"B-3. Preference Rating B-3 is hereby assigned to orders for new apparatus, equipment, and devices used directly in operations which must continue in order to preserve essential production and services.

"B-4. Preference Rating B-4 is hereby assigned to orders for products essential to the protection of public health or safety and not coming within any higher Preference Rating classification.

"B-5. Preference Rating B-5 is hereby assigned to orders for customers of each producer or distributor to whom shipments have been made during 1940 by such producer or distributor, requiring less than a total of one ton of nickel bearing steel per month. This rating is temporarily assigned pending further investigation. *(Rating B-5 is not, at present, applicable except to those persons whose products are subject to the Nickel Steel Priorities Order M-5-A.)*

"B-6. Preference Rating B-6 is hereby assigned to orders for customers whose use of nickel bearing steel does not exceed two pounds per $100 of final sales value of the article or articles, produced by such customers, of which it is an essential component.

"B-7. Preference Rating B-7 is hereby assigned to orders for the material used in products in which no reasonably satisfactory substitute for nickel bearing steel is available.

"B-8. Preference Rating B-8 is hereby temporarily assigned, until such time as a substitution shall be effected, to orders for the material used in products in which a reasonably satisfactory substitute for nickel bearing steel is available or can be made available."

Column 18—Delivery Required. Show the latest date by which you must deliver in order to meet your customers' commitments.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf-2,005. Form PD-53B—Monthly report of chromium stock and consumption. Reproduced below is Form PD-53B, monthly report of chromium stock and consumption:

FORM PD-53B—MONTHLY REPORT OF CHROMIUM STOCK AND CONSUMPTION

PD-53B

OFFICE OF PRODUCTION MANAGEMENT
Division of Priorities

SCHEDULE II
See Instructions on Reverse

CHROMIUM

Report for Month of AUGUST
Name of Company or Plant _____
Address _____

(All Figures in Pounds of Chromium Metal)

1. TOTALS OF CHROMIUM CONTENT REQUIRED UNDER CLASSIFICATION SHOWN ON SCHEDULE 'I':

	(A) Shipping Weight	(B) Cumulative Shipping Weight	(C) Corresponding Cumulative Melting Weight
A-1 to A-10	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-1	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-2	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-3	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-4	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-5	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-6	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-7	_____ Lbs.	_____ Lbs.	_____ Lbs.
B-8	_____ Lbs.	_____ Lbs.	_____ Lbs.

2. TOTALS OF CHROMIUM CONTENT IN STOCKS, AND BALANCE REQUIRED IN AUGUST__, 1941:

	I Stocks (Estimated) August 1, 1941	II Available For Our Use In August	III Balance Required From Producer
A. Metallic Chromium	_____ Lbs.	_____ Lbs.	_____ Lbs.
B. Ferrochrome			
1. Low Carbon			
A. Maximum .06 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
B. Maximum .10 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
C. Maximum .15 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
D. Maximum .20 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
E. Maximum .50 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
F. Maximum 1.00 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
G. Maximum 2.00 Carbon	_____ Lbs.	_____ Lbs.	_____ Lbs.
TOTAL LOW CARBON	_____ Lbs.	_____ Lbs.	_____ Lbs.
2. High Carbon (over 4%)	_____ Lbs.	_____ Lbs.	_____ Lbs.
3. Chromium Briquettes	_____ Lbs.	_____ Lbs.	_____ Lbs.
4. Other (Specify)	_____ Lbs.	_____ Lbs.	_____ Lbs.
C. Chrome Alloy Steel Scrap	_____ Lbs.	_____ Lbs.	XXXXXXX Lbs.
1. Expected from Process Scrap (Revert)	XXXXX Lbs.	_____ Lbs.	XXXXXXX Lbs.
2. Expected from Outside Sources	XXXXX Lbs.	_____ Lbs.	XXXXXXX Lbs.
D. Chrome Ore or Concentrates	_____ Lbs.	_____ Lbs.	XXXXXXX Lbs.
E. Other Sources	XXXXX Lbs.	_____ Lbs.	XXXXXXX Lbs.

(The Following Information is to be Shown Only on the Copies Filed with OPM)

RECORD OF STOCKS AND CONSUMPTION OF CHROMIUM

Please Reply to the Following Questions in Respect to the Month of JULY
If You do not Have the Exact Data Requested, Please Estimate and Mark "Estimated"

1. STOCKS OF CHROMIUM

Form	Beginning of Month	End of Month (Estimate)
Chromium Content of Ferrochrome	_____	_____
Chromium Content of Alloys in Process	_____	_____
Chromium Content of Inventory of Finished Products	_____	_____
Chromium Content of Chrome Ore and Concentrates	_____	_____
Chromium Content - Other Forms, Incl. Sub-Standard Material	_____	_____

2. HOW MUCH AND WHAT TYPE OF ALLOY SCRAP CONTAINING CHROMIUM DO YOU HAVE WHICH YOU CANNOT USE CURRENTLY?

3. RECEIPTS AND SHIPMENTS OF CONTAINED CHROMIUM DURING THE MONTH OF MAY

A.	RECEIPTS	SHIPMENTS
A. Ferrochrome (Pounds Contained Chromium) Low-Carbon, up to and Including 2% Carbon	_____	_____
B. High Carbon, over 4% Carbon (Including all Foundry Grades)	_____	_____
C. Chromium Metal	_____	_____
D. Chromium Briquettes	_____	_____
E. Miscellaneous Chromium Bearing Alloys	_____	_____
B. Chromium Contained in Alloy Scrap Received from or Shipped to Customers and Others	_____	_____
C. Chromium Contained in Intermediate, Semi-Finished, and Finished Products Received from or Shipped to Customers or Others	_____	_____
D. Chromium Contained in Chrome Ore	_____	_____
E. Total Chromium Content	_____	_____

	Months Succeeding the Month of This Report		
	1st - Sept.	2nd - Oct.	3rd - Nov.
4. ESTIMATED CHROMIUM REQUIREMENTS (Pounds)	_____	_____	_____

5. OTHER MATERIALS USED AS SUBSTITUTES FOR CHROMIUM USUALLY USED, IN MONTH PRECEDING THIS REPORT	Substitute	Pounds Used	Pounds Chromium Saved
	_____	_____	_____
	_____	_____	_____
	_____	_____	_____

STATE OF _____)
) SS:
COUNTY OF _____)

The undersigned being duly sworn, deposes and says that: (1) he executed the foregoing application on behalf of and by authority of the above-named applicant; (2) the facts stated on foregoing application and supporting schedules are, to the best of his knowledge and belief, true and correct; (3) the applicant has not placed an order for ferrochromium or chromium in any other form with any source of supply which will be a duplication of this request for the purpose of filling the orders listed on Schedule I herewith.

Sworn Before Me this ____ day of _____, 1941

_____
Notary Public

My Commission expires _____

_____
Signature (to be sworn before a Notary Public)

_____
Official Position

INSTRUCTIONS FOR SCHEDULE II (538)

General

This schedule must be mailed not later than the twenty-fifth (25th) day of the month preceding the month in which the metal requested is to be shipped to you. It covers all the metal or ferrochrome which you desire during that month, with the exception of emergency needs.

A separate Schedule II should be prepared for each plant controlled by you, and one for all plants combined.

The original of Schedule II and one copy, should be sent directly to the Director of Priorities, Office of Production Management, New Social Security Building, Washington, D. C. Send one copy of Schedule II (but *not* Schedule I), filled out as directed below, to the supplier.

Paragraph (1)

In this paragraph show under "Column (A)—Shipping Weight" the total shipping weights, under their respective categories, carried forward from Schedule I.

In "Column (B)" show the shipping weights added cumulatively. Thus on the second line of this Column show the total of the first and second lines of "Column (A)," etc.

In "Column (C)" show the required melting weights corresponding to each category and added cumulatively.

Paragraph (2)

This paragraph covers, in Column I, your stocks which you estimate will be available on the First day of the month to which this application applies. It includes the chromium contained in scrap already on hand, and ore or concentrates which you may use directly.

In Column 2 you are to summarize the sources of chromium which you can utilize during the month. It includes all or part of the scrap which you will have on hand at the beginning of the month, plus the process scrap which you expect will become available from your operations for re-use during the month, plus the purchased scrap which you expect to acquire from dealers or your customers during the month.

In Column 3 you should show the amounts of new chromium or ferro-chromium which you estimate you will require, after applying all ferro-chromium or chromium in your possession and expected to be received or available, according to Columns 1 and 2.

Right-hand Sheet

These paragraphs are to be filled out only on the copy returned to the Office of Production Management.

The information in Questions 1 and 5 relates to the month during which this application is made, *not* the month to which your requested shipments of metal are to apply.

The information in Question 3 relates to the month preceding that in which this request is filed.

The "estimated requirements" (Question 4), however, apply to the month following that to which this request applies, and to the two months succeeding.

The question concerning substitutes should be answered to the best of your ability, with further information supplied in a supplementary letter.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·2,006. Form PD-54—statement of stocks and consumption. Reproduced below is Form PD-54, for chromium chemicals:

PD-54 (Revised 10/1/41)

OFFICE OF PRODUCTION MANAGEMENT
DIVISION OF PRIORITIES
WASHINGTON, D. C.

....
(Name of Company) (Plant—Name and Location)

Execute this form in duplicate. Forward one copy to the Chrome and Manganese Commodity Branch, Office of Production Management, Washington, D. C. File one copy with your supplier.

I. Statement of stocks and consumption of primary chromium chemicals to qualify for shipments from..... (Report all figures in pounds)
(Processor)

Product	Stocks on Hand October 31	Required for Actual Consumption in November
1. Bichromate of soda		
2. Bichromate of potash		
3. Sodium chromate		
4. Other (specify)		

II. Actual consumption in October, classified by Preference Ratings.

Preference Ratings	PRODUCT			
	Bichromate of Soda	Bichromate of Potash	Sodium Chromate	Other (Specify)
1. AA through A-10 supported by actual certificates				
2. A-10 assigned under General Preference Order M-18				
3. "B" Ratings supported by actual certificates				
4. All other				

III. Ultimate use of October consumption. (Report in detail. If space is needed attach separate sheet.)

1. Bichromate of soda
2. Bichromate of potash
3. Sodium chromate
4. Other

The undersigned hereby certifies that he executed the foregoing report on behalf of, and by authority of, the above named..... and that all of the facts set forth above are true to the best of his knowledge and belief.

By.....

Date..... Title.....

(Section 35(A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

INSTRUCTIONS

General: This form must be filled out by all consumers of primary chromium chemicals; that is, bichromate of soda, bichromate of potash, etc. A separate form must be submitted for each plant. Copies of this form *must* be filed with the Office of Production Management as well as with your processors by November 8th.

Failure to file this form as directed will force the Office of Production Management to instruct all processors of primary chromium chemicals to discontinue further shipments to persons failing to comply.

Section 1: Show in this section actual inventories of primary chromium chemicals owned or controlled by you as of October 31 and your requirements for actual consumption during November.

Section 2: In this section you are to show your actual consumption of primary chromium chemicals classified according to preference ratings. In classifying your consumption, you are to follow the definitions given in General Preference Order M-18 as amended August 22, 1941. For your information the provisions of the Chromium Order applying to preference ratings are:

(1) Deliveries under all *defense orders* which do not bear a higher preference rating are hereby assigned a preference rating of A-10.

(2) Preference ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10; BB, B-1, B-2, etc., . . . B-8, AA being the highest rating and B-8 the lowest presently assigned. Except under specific direction of the Director of Priorities, *A* ratings are assigned only to defense orders and *B* ratings to civilian orders.

Under this classification, line 1 of section 2 should include only your consumption involved in orders that are supported by preference rating certificates of AA through A-10 that are actually in your possession. Consumption involved in defense orders to which preference ratings of A-10 assigned under General Preference Order M-18, or by special ruling of the Director of Priorities, should be entered in line 2. Any information needed for your classification should be obtained from your customers, but your customers should not be requested to fill out this form.

Section 3: Enter in this section the primary use of the material consumed, such as, tanning, plating, dyeing, pigments, etc. State the ultimate use of the material consumed as specifically as possible. If feasible, show the product to be made and for what purpose it is to be used. If, for example, bichromate of soda is ultimately consumed in tanning leather, you are requested to state the purpose for which the leather is being tanned; such as, "army shoes" or "workmen's shoes." If additional space is needed in furnishing this information, attach a separate sheet.

Copyright, November 22, 1941, The Research Institute of America, Inc.

Vf-2,007. Form PD-55—Request for refractories containing chromite. Reproduced below is Form PD-55, request for refractories containing chromite:

PD-55

See instructions on Reverse Side

OFFICE OF PRODUCTION MANAGEMENT

REQUEST FOR REFRACTORIES CONTAINING CHROMITE

TO: _____ (Producer's name) _____ (Date of Order) FROM: _____ (Purchaser)

_____ (Producer's address--City and State only) _____ (Purchaser's Order No.) _____ (Purchaser's address-City and State Only)

(1) Industry	(2) Type or Grade of Refractory (List by brand)	(3) Inventory on Hand first of the Month	(4) Quantity 9 in. eqv. or net tons	(5) Date Shipment Should Begin	(6) Rate of Shipment Required

Explanation of Ultimate Use of Products Listed:

Authorized by _____

Title _____

Vf·2,008. Chromium priority system tightened by Order M-18-a. Preference Rating Order M-18-a, issued November 29, 1941 places in the hands of the Director of Priorities the direction of all deliveries of chromium. Full control of deliveries of chromium is lodged in the Director of Priorities and monthly requests for chromium must be made to producers. The aggregate chromium oxide content of chemicals is limited in each month to one-twelfth the amount of ore used in chemicals actually delivered in the twelve months ending June 30, 1941. The order revokes Order M-18 issued July 8, 1941, and amended August 22. It becomes effective November 29, 1941. (See Order M-21 at Vf·738) The following is the text of Order M-18-a:

General Preference Order No. M-18-a

To Conserve the Supply and Direct the Distribution of Chromium

WHEREAS, it is found that the increasing national defense requirements, including the need for adequate reserves occasioned by the uncertainty of future shipments from abroad, of chromium (as hereinafter defined) have created a shortage in the supply of chromium for defense, for private account, and for export, and it is necessary in the public interest and to promote the defense of the United States to supplement by further measures the action heretofore taken to conserve the supply and direct the distribution thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

949.2 *GENERAL PREFERENCE ORDER.* (a) *Definitions.* For the purposes of this order:

(1) "Chromium" means and includes: (i) Chromium ores or concentrates; (ii) The element chromium in pure form, ferrochromium, chrom-x, chrome briquettes, and other combinations of the element chromium with other elements in semi-manufactured or manufactured form, commercially suitable for use in the manufacture of steel or for other metallurgical purposes; (iii) All chemical combinations having chromium as an essential and recognizable component; (iv) Those products containing chromium known commercially as refractories or refractory material; (v) All scrap or secondary material containing chromium as defined in (i), (ii), and (iii) above.

(2) "Producer" means any person who mines or otherwise produces natural materials containing recoverable quantities of chromium.

(3) "Processor" means any person who uses ores or concentrates for the manufacture of, or converts them into chromium chemicals, chromium refractories or metallurgical forms of chromium.

(4) "Dealer" means any person who procures chromium either by importing or from domestic sources for sale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(b) *Regulations Incorporated.* Except as modified by the terms of this order and as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this order with the same effect as if specifically set forth herein.

(c) *Assignment of Preference Rating.* Deliveries of chromium under all defense orders (as defined in Regulation No. 1) to which a preference rating of A-10 or higher has not been assigned are hereby assigned a preference rating of A-10.

(d) *Limitation on Use of Ore in Chromium Chemicals.* Unless otherwise ordered by the Director of Priorities, the aggregate chromium oxide content of ore which may be used by any processor in the manufacture of chromium chemicals during any calendar month shall be limited to 1/12 of the aggregate weight of such oxide content used in the manufacture of the total quantity of chromium chemicals delivered by such processor during the period from July 1, 1940 through June 30, 1941.

(e) *Allocations.* Hereafter the Director of Priorities will from time to time specifically direct the manner and quantities in which deliveries of chromium in any form, for particular uses or to particular persons shall be made or withheld. Such directions will be made primarily

Copyright, December 6, 1941, The Research Institute of America, Inc.

to insure the satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor, and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian requirements. In making any deliveries of chromium with respect to which no specific directions have been issued by the Director of Priorities, each producer, processor and dealer must give preference to defense orders as required by the provisions of Priorities Regulation No. 1, and must be governed by any preference ratings assigned to particular contracts or purchase orders.

(f) *Applications for Chromium.* Unless otherwise ordered by the Director of Priorities, no processor or dealer shall make delivery of chromium and no person shall accept such delivery unless, not later than the 25th day of the month next preceding the month in which delivery is to be made, or at such other time as the Office of Production Management may determine, the person seeking such delivery shall have filed with the processor or dealer an application on Form PD-53b or such other form or forms as may be from time to time prescribed by the Office of Production Management, and shall have filed at the same time with the Office of Production Management a copy of such application, together with a report in duplicate (if the chromium to be delivered is in one of the forms specified in paragraph (a)(1)(ii) above) on Form PD-53a or such other form as said Office may from time to time prescribe. The Director of Priorities may in his discretion from time to time issue specific directions exempting particular customers or classes of customers from the provisions of this paragraph (f) on the basis of the limited character of their requirements for chromium.

(g) *Violations.* Any person affected by this order, who violates any of its provisions, or a provision of any other order, direction or regulation issued by the Director of Priorities, may be prohibited by the Director from making or receiving further deliveries of chromium or of any other material subject to allocation, or he may be subjected to any other or further action which the Director may deem appropriate.

(h) *General Preference Order M-18 Revoked.* General Preference Order M-18, issued by the Director of Priorities July 7, 1941, as amended August 22, 1941, is hereby revoked.

(i) *Effective Dates.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of April, 1942.

Issued this 29th day of November, 1941.

.....

DONALD M. NELSON, Director of Priorities.

Vf·2,009. Ferrochrome use restricted by an Amendment No. 1 to Order M-18-a. A further tightening of control over chromium, vital alloy for corrosive and heat resistant steel, was announced with issuance of an amendment to Order M-18-a on January 13, 1942. The amendment prohibits any person from melting more than two tons of ferrochrome in any one month without specific authorization of the Director of Priorities. Other provisions of the order are unchanged. The purpose of the amendment is to prevent using up inventories of ferrochrome to fill less essential rated orders and to limit use of chrome steel to vital military needs.

Vf·2,010. Amendment No. 1 to General Preference Order M-18-a.

Section 949.2 (General Preference Order M-18a), issued November 28, 1941, is hereby amended as follows:

Paragraph (e) of said Section is hereby amended to read as follows:

Sec. 949.2 **General Preference Order.**

"(e) *Restrictions on Melting and Directions for Deliveries.* Hereafter no person shall melt more than two tons of ferro-chromium in any month except as specifically authorized by the Director of Priorities. The Director may from time to time specifically direct the manner and quantities in which deliveries of ferro-chromium or any other chromium shall be made or withheld for particular uses or for particular persons. Such directions will be made to insure the satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor, and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian requirements. In making any deliveries of chromium with respect to which no specific directions have been issued by the Director of Priorities, each producer, processor, and dealer must give preference to defense orders as required by the provisions of Priorities Regulation No. 1, as amended from time to time, and must be governed by any preference ratings assigned to particular contracts or purchase orders."

This amendment shall take effect immediately.

Issued this 13th day of January, 1942.

J. S. KNOWLSON, *Acting Dir. of Priorities.*

Nickel—Allocation

Vf·2,100. Importance of nickel. Nickel is of great importance to national defense, particularly because of the part it plays in the manufacture of stainless and other steels. Faced with increasing shortage of nickel which is supplied almost wholly by Canada, producers at first sought to solve the problem by seeking to supplant nickel steel with alloys containing lesser amounts of nickel. Informal voluntary priorities were at first applied but the tight situation still continued and more effective measures became inevitable.

Total demand for nickel, for civilian as well as defense purposes, is considerably higher than the supply. The imposition of formal nickel allocation was the result of estimates that the May, 1941, demand for nickel from all sources, if it could be filled, would approximate 21,000,000 pounds, thus indicating an overall shortage of about 5,500,000 pounds for the month. Because of the rapid change in the supply and demand situation, it is impossible to estimate future shortages exactly, but some estimates indicated that the over-all shortage for all needs—civilian as well as military—would probably be over 45,000,000 pounds for 1941. Almost the entire United States supply of nickel is imported from Canada, which produces about 85% of the world output. The metal is of vital importance in defense channels, especially for the production of alloy steels and for alloying with copper.

Vf·2,101. Compulsory system of nickel allocation. On May 15, 1941 a formal system of nickel allocation was established. Under its terms, the Priorities Division will month by month make allocations of the available nickel supplies for defense purposes. All defense orders received a rating of A-10 unless other ratings have been or may be assigned.

The plan, which provides mandatory industry-wide control over all supplies of nickel, formalizes and takes the place of the previous mandatory control which was imposed on nickel early in March, 1941. Because of the shortage in nickel the new procedure does not include a schedule of preference ratings for civilian uses. However, some allocations can and will be made for non-defense uses on a restricted basis, in so far as possible, in order to prevent serious dislocations in established manufacturing plants and to prevent sudden unemployment. In administering the plan, the Priorities Division will continue to make an effort to avoid causing unemployment. However, it is apparent that supplies of nickel flowing into civilian channels will have to be drastically curtailed. Defense needs can be cared for in full.

For the month of May, 1941, it was estimated that approximately 15,500,000 pounds of nickel would be available in this country, almost all of it coming from Canada. This amount is the largest ever made available for industrial uses in this country in any one month.

Vf·2,102. Text of General Preference Order No. M-6 on primary nickel. The following is the text of General Preference Order No. M-6 relating to the distribution of primary nickel:

TITLE 32—NATIONAL DEFENSE
Chapter IX—Office of Production Management
Subchapter B—Priorities Division
Part 927—Primary Nickel

GENERAL PREFERENCE ORDER NO. M-6 TO DIRECT THE DISTRIBUTION OF PRIMARY NICKEL

WHEREAS, it is found that the demands of the national defense program have created a present and increasing shortage of primary nickel, as hereinafter defined, and it is further found that such shortage will prevent the obtaining of priority for deliveries of that material under present and future Naval and Army contracts and orders and related subcontracts and suborders unless the total present and future supply thereof be conserved and the present and future distribution directed, and it is further found that the best interests of the national defense require the exercise of the power conferred upon me to direct and insure such priority, now, therefore, IT IS ORDERED THAT:

927.1 GENERAL PREFERENCE ORDER (a) For the purposes of this Order:

(1) The term "primary nickel" is hereby defined as any primary metallic nickel either alloyed or unalloyed or nickel matter of any description.

(2) The term "producers" refers to all persons, firms, or corporations who produce primary nickel as above defined.

(3) The term "distributors" is hereby defined as all persons, firms, and corporations who obtain primary nickel directly from original producers and hold the same for sale in the form in which it is received from such producers, or act as selling agents for such producers.

(4) The term "Defense Orders" is hereby defined as all contracts or orders placed with producers or distributors for delivery of primary nickel which is to enter directly or indirectly into the manufacture of any material (a) for the Army or the Navy of the United States, or (b) for the defense of Canada or Great Britain, or (c) for the government of any other country whose defense the President deems vital to the defense of the United States under "An Act to Promote the Defense of the United States" (Public No. 11, 77th Cong., 1st Sess., approved March 11, 1941).

(5) The term "nickel bearing material" as used herein means any scrap or other material containing 0.40 per cent (40/100 of one per cent) or more of primary nickel.

(b) Deliveries of primary nickel by producers or distributors shall be made in accordance with the following Preference Ratings and directions contained in this Order:

(1) All Defense Orders which do not bear a higher Preference Rating are hereby assigned a Preference Rating of A-10.

(2) The sequence of deliveries under contracts or orders bearing the same Preference Rating shall be governed by the delivery date specified in such contracts or orders.

(3) Where there is doubt as to whether a particular contract or order is a Defense Order, before any action is taken thereon, the matter shall be referred to the Division of Priorities, with a statement of all pertinent known facts, for its determination.

(4) Preference Ratings may be assigned, from time to time, by the Director of Priorities to contracts or orders other than Defense Orders, or other specific directions may be issued with respect to deliveries under such contracts or orders. No deliveries of primary nickel shall be made under contracts or orders other than Defense Orders except after release by the Director of Priorities pursuant to assignment of Preference Ratings or other specific directions.

(c) All such producers or distributors of primary nickel shall maintain accurate and complete records and information concerning:

Copyright, October 17, 1941, The Research Institute of America, Inc.

(1) Their inventories of primary nickel.

(2) All contracts and orders placed with them for primary nickel, setting forth, with respect to each:

(i) The Preference Ratings assigned to such contracts or orders.

(ii) The name and address of each customer.

(iii) The kinds, quantities and value of material covered thereby.

(iv) The dates of actual deliveries thereunder.

(d) Such producers and distributors shall furnish to the Division of Priorities all or any part of the foregoing information and such other related information as it may request, not later than the twenty-fifth (25th) day of each calendar month after the effective date of this Order, in such form and particularity as it may prescribe, and shall furnish, from time to time, such further information as may be required by the Division of Priorities for the administration of this or any subsequent Order.

(e) Such producers and distributors shall, from time to time, upon request of the Division of Priorities, submit to an audit and inspection by its representatives with respect to any of the foregoing matters.

(f) In order to make a proper division of the monthly supply of primary nickel available between industries essential to defense either directly or indirectly, and industries essential to the welfare of civilian consumers which are dependent upon a supply of primary nickel, the Director of Priorities will, beginning June 1, 1941, during each calendar month, issue to such producers and distributors specific directions covering deliveries of primary nickel. Except as may be otherwise specifically directed by the Director of Priorities, no deliveries of primary nickel by any such producer or distributor to any customer shall be made unless such customer shall have filed, not later than the twentieth (20th) day of the month next preceding the month in which delivery thereof is specified, a sworn statement in duplicate, on the form attached marked PD-27 (one copy with the Division of Priorities and one copy with the producer or distributor), setting forth:

(1) The amount of primary nickel actually required by such customer for use during the next succeeding month.

(2) Such customer's estimated requirements of primary nickel for each of the two months following such succeeding month.

(3) If the primary nickel required is to be used in fulfilling a Defense Order or Orders, the identity of such Defense Order or Orders and the Preference Rating or Ratings, if any, assigned thereto.

(4) That such customer has not placed an order for primary nickel or nickel in any other form with any source of supply which will be a duplication for the same purpose.

(5) The customer's inventory, showing the amount of primary nickel and the total nickel content of all other nickel bearing material as of the first day of the month in which the sworn statement is filed.

(6) An estimate of what such customer's inventory of all primary nickel and the total nickel content of all other nickel bearing material will be on the last day of the month in which the statement is filed.

(7) The product or products which are to be made from such primary nickel and the uses to which they will be put.

(8) The proportion of the total primary nickel ordered which will be consumed by such customer in the fulfillment of Defense Orders.

(9) Such other information as the Director of Priorities may, from time to time, require.

(g) Paragraph (f) of this Order is subject to the further provision that the Director of Priorities may, from time to time, and for such duration as he may specify, by means of specific directions to producers and distributors or otherwise, exclude from the operation of the provisions of this Order relating to the filing of sworn statements by customers of producers and

distributors any class or classes of such customers whose current requirements for primary nickel do not exceed a specified amount.

(h) Producers and distributors shall, as soon a practicable, notify each of their regular customers of the requirements of this Order relating to the furnishing of sworn statements by such customers, but the failure to receive such notice shall not excuse any customer from the obligation of complying with the terms of this Order.

(i) Any person who dissents from the Preference Rating that is assigned to any contract or order pursuant to the terms of this Order, or any person who dissents from any direction issued by the Director of Priorities concerning deliveries of primary nickel, may appeal to the Division of Priorities by addressing a letter to Ernest M. Hopkins, Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C. Such letter shall contain:

(1) The name of the producer or distributor with whom the contract or order is placed and the name and address of the customer placing the order.

(2) A general description of the contract or order.

(3) The amount of primary nickel ordered and the use for which it is intended.

(4) The Preference Rating, if any, that has been assigned to his contract or order, or the particular direction or directions complained of.

(5) The number of employees of the customer placing the order whose employment depends upon obtaining the primary nickel ordered.

(6) Reasons why the person complaining thinks that the rating or direction is erroneous.

(j) This Order supersedes and cancels all orders and directions heretofore issued by the Director of Priorities or the Division of Priorities applicable to such producers and distributors of primary nickel, and may be modified or terminated by the Director of Priorities at any time. Provided, however, that all directions issued by the Director of Priorities for the delivery of primary nickel during the months of March, April, and May, 1941, are hereby validated and shall remain in full force and effect.

(k) This Order shall take effect on the 15th day of May, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of September, 1941. (O. P. M. Reg. 3, Mar. 7, 1941, 6 F. R. 1596; E. O. 8629, Jan. 7, 1941, 6 F. R. 191; sec. 2(a), Public No. 671, 76th Congress.)

Issued this 15th day of May, 1941.

E. R. STETTINIUS, JR.
Director of Priorities.

Vf·2,103. Detailed monthly application for nickel required for melting (Form PD-27—Schedule I). The following is the detailed monthly application for nickel required for melting:

Copyright, October 17, 1941, The Research Institute of America, Inc.

PD-27

Not to Be Filled Out by Applicant

BATCH NO.	
INDUSTRY	
STATE	
COUNTY	
CENTRAL OFFICE	
PLANT NO.	

SCHEDULE I

See Instructions on Reverse

NAME OF COMPANY

PLANT (NAME AND LOCATION)

DETAILED APPLICATION FOR NICKEL REQUIRED FOR MELTING IN JULY 1941

NOT TO BE FILLED OUT BY APPLICANT	2.	3.	4.	NOT TO BE FILLED OUT BY APPLICANT	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.
1.				5.			SHIPPING WEIGHT TO CUSTOMER OF CONTAINED NICKEL (Report in Pounds)										
For Office Code Only	Customer's Name	(Our) Order Number	Priority Rating	For Office Code Only	Ultimate Use	% Nickel	A-1 to A-10	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	Total	Del'y Date Req.

INSTRUCTIONS FOR SCHEDULE I

I.—This schedule deals with materials which must be melted during the one month in order to meet the latest required delivery dates to your customers. All details relating to deliveries during the month, which do not originate with material melted during the month, are to be excluded.

II.—The following definitions and interpretations should be observed in completing the schedule:

Column 2—Customer's Name. In showing the required information broken down by your customers, it is recognized that it may become necessary for you to include an item of "Miscellaneous Customers" to cover certain of your small accounts. If this is found necessary, the information under the heading "Miscellaneous Customers" should be placed as the last item in the schedule, followed by appropriate explanations of the reasons for this treatment, and of the basis you have used in allocating the amounts between the categories shown in Columns 8 to 16.

Material which must be melted during the month for shipment to your own or distributors' warehouses should be grouped together and shown as representing Warehouse Shipments. The basis used in allocating the warehouse shipments between the categories shown in Columns 8 to 16 should be stated.

Column 4—Priority Rating. Include here any specific priority rating assigned or other U. S. A., British or Canadian contract or identification or number establishing the character of the order.

Column 6—Ultimate Use. To the best of your knowledge, state the specific ultimate use of the material.

Column 7—Percent Nickel Contained. Show the approximate percent of Nickel contained in the material to be shipped to the customer.

Columns 8 to 16—Show in these columns for each order listed, the actual shipping weight (in terms of nickel content) of the material as shipped to the customer.

If your products are subject to the Nickel Steel Priorities Order No. M-5-A dated April 10, 1941, classify the shipping weight in Columns 8 to 16 according to the preference ratings determined by that order.

If your products are not subject to the Nickel Steel Priorities Order No. M-5-A, you are nevertheless requested to follow the principles of preference rating set forth therein, classifying the shipping weight in Columns 8 to 16. For your information, the provisions of this order applying to preference ratings are:

A. Preference Ratings of A-1 to A-10, inclusive, are hereby assigned to Defense Orders as defined in General Preference Order No. M-5, as amended, and to all other orders to which a Preference Rating in the A classification has been or may hereafter be assigned by the Director of Priorities. (Defense Orders as defined, include all contracts or orders for material which is to enter directly or indirectly into the manufacture of material for the Army or Navy or material to be used in the defense of Great Britain, including contracts or orders from other parts of the British Empire for that purpose.)

B-1. Preference Rating B-1 is hereby assigned to orders (a) for the manufacture of parts for the repair or replacement of existing apparatus, equipment, and devices and (b) for the manufacture of new apparatus, equipment, and devices, in either case [under (a) or (b)] used directly or indirectly in connection with the manufacture of material which enters in substantial quantity into the fulfillment of Defense Orders, although such orders may not bear specific Preference Ratings.

B-2. Preference Rating B-2 is hereby assigned to orders for the manufacture of parts for the repair or replacement of existing apparatus, equipment, and devices which must continue to operate in order to preserve essential production and services.

Copyright, October 17, 1941, The Research Institute of America, Inc.

B-3. Preference Rating B-3 is hereby assigned to orders for new apparatus, equipment, and devices used directly in operations which must continue in order to preserve essential production and services.

B-4. Preference Rating B-4 is hereby assigned to orders for products essential to the protection of public health or safety and not coming within any higher Preference Rating classification.

B-5. Preference Rating B-5 is hereby assigned to orders for customers of each producer or distributor to whom shipments have been made during 1940 by such producer or distributor, requiring less than a total of one ton of nickel bearing steel per month. This rating is temporarily assigned pending further investigation. **(Rating B-5 is not, at present, applicable except to those persons whose products are subject to the Nickel Steel Priorities Order M-5-A.)**

B-6. Preference Rating B-6 is hereby assigned to orders for customers whose use of nickel bearing steel does not exceed two pounds per $100 of final sales value of the article or articles, produced by such customers, of which it is an essential component.

B-7. Preference Rating B-7 is hereby assigned to orders for the material used in products in which no reasonably satisfactory substitute for nickel bearing steel is available.

B-8. Preference Rating B-8 is hereby temporarily assigned, until such time as a substitution shall be effected, to orders for the material used in products in which a reasonably satisfactory substitute for nickel bearing steel is available or can be made available.

Column 18—Delivery Required. Show the latest date by which you must deliver in order to meet your customers' commitments.

Vf·2,104. Summary of the detailed application for nickel (Form PD-27—Schedule II). The following is the summary of the detailed application for nickel and statement of stocks which bears the number PD-27—Schedule II.

IRON, STEEL AND ALLOY METALS

PD-27

SCHEDULE II

See Instructions on Reverse

Name of Company

Plant (Name and Location)

SUMMARY OF DETAILED APPLICATION FOR NICKEL FOR **JULY** 1941
AND STATEMENT OF STOCKS

1 TOTALS OF NICKEL REQUIRED UNDER CLASSIFICATIONS SHOWN ON SCHEDULE "I"

	(A) Shipping Weight	(B) Cumulative Shipping Weight	(C) Corresponding Cumulative Melting Weight
A-1 to A-10	lbs.	lbs.	lbs.
B-1	lbs.	lbs.	lbs.
B-2	lbs.	lbs.	lbs.
B-3	lbs.	lbs.	lbs.
B-4	lbs.	lbs.	lbs.
B-5	lbs.	lbs.	lbs.
B-6	lbs.	lbs.	lbs.
B-7	lbs.	lbs.	lbs.
B-8	lbs.	lbs.	lbs.
TOTAL	lbs.		

2 THE NICKEL CONTENT OF OUR ESTIMATED STOCKS AT THE BEGINNING OF THE ABOVE MONTH IS:

(A) Metallic unalloyed Nickel (primary and secondary) ..... lbs.

(B) Nickel alloy steel scrap or other scrap containing nickel ..... lbs.

TOTAL ..... lbs.

3 TOWARDS THE TOTAL MELTING WEIGHT, ABOVE, WE BELIEVE WE CAN SUPPLY FROM THE ABOVE MENTIONED STOCKS OR FROM OTHER SOURCES, A TOTAL OF:

(a) Nickel unalloyed (primary and secondary), from stock ..... lbs.

(b) Nickel in alloy steel scrap or other scrap containing nickel, from stock ..... lbs.

(c) Nickel expected from process scrap (revert) during the above month ..... lbs.

(d) Nickel in scrap expected from outside sources during the above month ..... lbs.

TOTAL ..... lbs.

4 BALANCE OF NICKEL REQUIRED ..... lbs.

(Following Information to be Shown Only on the Copies Filed with the O.P.M.)

RECORD OF STOCKS AND CONSUMPTION OF NICKEL

Please reply to the following questions in respect to the month of April. If you do not have the exact data requested, please estimate and mark "estimated".

1—Stocks of nickel:

Form	Beginning of Month	End of Month
Metallic unalloyed nickel:		
Primary virgin nickel		
Secondary unalloyed nickel		
Nickel content of alloy scrap		
Nickel content of alloys in process		
Nickel content of your inventory of finished products		
Total nickel content		

2—How much and what type of alloy scrap containing nickel do you have which you cannot use currently? .....

3—Receipts and shipments of nickel during the month:

	Receipts	Shipments
a. Metallic unalloyed nickel:		
Primary virgin nickel		
Secondary unalloyed nickel		
b. Nickel contained, in alloy scrap received from or shipped to customers and others		
c. Nickel contained, in intermediate, semi-finished and finished products received from or shipped to customers or others		
d. Total nickel content		

The undersigned being duly sworn, deposes and says that: (1) He executed the foregoing application on behalf of and by authority of the above-named applicant; (2) the facts stated on foregoing application and supporting schedules are, to the best of his knowledge and belief, true and correct; (3) the applicant has not placed an order for primary nickel or nickel in any other form with any source of supply which will be a duplication for the purpose of filling the orders listed on Schedule I herewith, except as reported in paragraph 3, item (d) above.

Signature (To be sworn before a Notary Public) ..... Date ..... Official Position .....

State of .....
County of ..... } ss.

Sworn before me this ..... day of 1941

..... Notary Public.

My commission expires .....

Copyright, October 17, 1941, The Research Institute of America, Inc.

INSTRUCTIONS FOR SCHEDULE II

General

A separate Schedule II should be prepared for each plant and also one for all plants combined.

The originals of Schedule II and one copy, with the supporting Schedule I and one copy, should be sent directly to the Division of Priorities, Office of Production Management, New Social Security Building, Washington, D. C. Copies of Schedule II should be sent to The International Nickel Company, Inc., 67 Wall Street, New York City, N. Y., attention of Nickel Sales Department.

Paragraph 1

In this paragraph show under "Column (A)—Shipping Weight" the total shipping weights, under their respective categories, carried forward from Schedule I.

In "Column (B)" show the shipping weights added cumulatively. Thus on the second line of this Column show the total of the first and second lines of "Column (A)," etc.

In "Column (C)" show the required melting weights corresponding to each category and added cumulatively.

Paragraph 2

This paragraph covers nickel you estimate will be in stock and available as raw material on the first day of the month covered by this application.

Paragraph 3

Item (c) covers the nickel contained in process scrap such as ingot and billet croppings, gates, risers, shearings, etc., which you expect will become available from your processing operations, for re-use during the month.

Item (d) covers the nickel contained in scrap which you expect to become available by purchase from your customers, from dealers, or other sources, and any other usable material containing nickel which you expect to acquire during the month.

Paragraph 4

Show here the amount of new nickel requested which you estimate you will require after applying all nickel in your possession and expected to be received or available in the form of primary nickel or nickel contained in scrap suitable for production of the orders listed in Schedule I.

Vf·2,105. Use of nickel in producing nickel bearing steel restricted. The Priorities Division has issued an order designed to conserve nickel by reducing the amount of primary metal used in the production of nickel bearing stainless steel. The order says that in the production of nickel bearing stainless steel products, the amount of primary nickel to be used may not exceed 40% of the total nickel content in such steel. The rest of the nickel content must be made up of nickel bearing scrap. Net effect of the order is to require that, for every 100 pounds of nickel going into the production of stainless steel, only 40 pounds can be primary metal and the other 60 must come from scrap.

Vf·2,106. Form PD-90—report covering electric resistance wire. Reproduced below is Form PD-90, report covering electric resistance wire:

To: OFFICE OF PRODUCTION MANAGEMENT, NICKEL BRANCH, NEW SOCIAL SECURITY BUILDING, WASHINGTON, D. C.

(This form is to be filled out and mailed to the above address by purchasers of electrical resistance wire for the production of heating elements used in electrical appliances.)

....
Name of reporting firm Specific address of reporting firm

SCHEDULE I: Show below your stock of electrical resistance wire, DO NOT include wire in finished product or wire in process of manufacture.

TYPE AND GRADE OF WIRE	Stock on hand Dec. 31, 1940:			Stock on hand June 30, 1941:		
	Pounds of Wire	Percentage of Nickel	Pounds of Nickel Content	Pounds of Wire	Percentage of Nickel	Pounds of Nickel Content
.....						
.....						
.....						
.....						
.....						
.....						
.....						
TOTAL:						

The undersigned hereby certifies that he executed this report, contained on four pages, on behalf of, and by authority of, the above named reporting firm, and that all of the facts set forth therein are true to the best of his knowledge and belief.

Date: ....
Signature of authorized individual Title

(Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation in any matter within the jurisdiction of any Department or Agency of the United States.)

SCHEDULE II: Indicate the quantity of electrical resistance wire received by you and the names of suppliers from whom you purchased this wire, for the periods indicated.

Name of Supplier	RECEIVED DURING PERIOD OF SIX MONTHS ENDING:											
	June 30, 1940:				December 31, 1940:				June 30, 1941:			
	Type & Grade of Wire	Pounds of Wire	Per Cent Nickel Content	Pounds Nickel Content	Type & Grade of Wire	Pounds of Wire	Per Cent Nickel Content	Pounds Nickel Content	Type & Grade of Wire	Pounds of Wire	Per Cent Nickel Content	Pounds Nickel Content
.....												
.....												
.....												
.....												
.....												
.....												
.....												
TOTAL:												

Copyright, October 17, 1941, The Research Institute of America, Inc.

SCHEDULE III: Show the estimated quantity of wire consumed by you in the manufacture of heating elements for each of the following types of appliances, for the periods indicated:

TYPE OF APPLIANCE	CONSUMED DURING PERIOD OF SIX MONTHS ENDING: June 30, 1940: Pounds of Wire	June 30, 1940: Pounds of Nickel Content	December 31, 1940: Pounds of Wire	December 31, 1940: Pounds of Nickel Content	June 30, 1941: Pounds of Wire	June 30, 1941: Pounds of Nickel Content
Electric Ranges						
Electric Water Heaters						
Electric Household Ironing Machines						
Domestic Appliances (A)						
Counter Appliances (B)						
Other Appliances (C)						
TOTAL OF ABOVE APPLIANCES:						
Industrial Heating Units and Devices (D)						

(NOTE: Correlate the above data with SCHEDULE IV, hereunder.)

SCHEDULE IV: List by KIND, and describe (wattage, size, capacity) each kind of equipment in each of the four groups marked (A), (B), (C) and (D), reported upon in the preceding Schedule III:

(A) Domestic Appliances. (Such as flat irons, heating pads, curling irons, etc.)

....
....
....
....
....

(B) Counter Appliances. (Such as commercial egg cookers, food warmers, etc.)

....
....
....
....

(C) Other Appliances. (Such as cigar and cigarette lighters, etc.)

....
....

(D) Industrial Heating Units and Devices. (Such as electric furnace units, glue pot units, etc.)

....
....
....
....

Vf·2,107. Order M-6-a for nickel allocation supersedes Order M-6. The United States faces a nickel shortage for 1941 of something like forty million pounds. Next year it is expected that the shortage will go higher, perhaps as high as sixty or seventy million pounds. Because of this prospect, the Division of Priorities, September 30, 1941, issued General Preference Order M-6-a, extending priority control over nickel to March 31, 1942.

In the new order superseding Order M-6 it is provided that the Director of Priorities, as heretofore, will continue to allocate primary nickel among competing consumers. The allocations of nickel are made each month after examination of proposed shipments and apparent requirements.

Vf·2,108. Text of preference rating order M-6-a. The following is the text of preference rating order M-6-a of September 30, 1941 superseding Order M-6:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—PRIORITIES DIVISION

Part 927—PRIMARY NICKEL

General Preference Order No. M-6-a

To Conserve the Supply and Direct the Distribution of Primary Nickel

WHEREAS, the national defense requirements have created a shortage of nickel, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to continue to conserve the supply and direct the distribution thereof:

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

927.2 GENERAL PREFERENCE ORDER. (a) *Definitions.* For the purpose of this Order:

(1) "Nickel" means any primary metallic nickel either alloyed or unalloyed or nickel matte of any description.

(2) "Producer" means any person who produces nickel as above defined.

(3) "Distributor" means any person who procures nickel either by importing or from domestic sources for resale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(b) *Regulations Incorporated.* Except as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this order with the same effect as if specifically set forth herein.

(c) *Assignment of Preference Rating to Certain Defense Orders.* Deliveries of Nickel under all Defense Orders (as defined in Regulation No. 1) to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(d) *Restrictions on Deliveries.*

(1) *Forms.* Any person seeking delivery of Nickel from a producer or distributor shall file with the Division of Priorities and with the producer or distributor in the manner indicated thereon not later than the 20th day of the month next preceding the month in which delivery is specified, Form PD-27 heretofore prescribed by the Division of Priorities, or such other form or forms as may be prescribed by said Division from time to time. The Director of Priorities may in his discretion from time to time issue specific directions exempting particular customers or classes of customers from the provisions of this paragraph (d)(1) on the basis of the limited character of their requirements for nickel.

(2) *Allocations.* No deliveries of nickel may be made by any producer or distributor except as specifically authorized by the Director of Priorities. The Director of Priorities will from time to time allocate the supply of nickel among persons seeking delivery thereof, and specifically direct the manner and quantities in which deliveries may be made. Such allocations and directions will be made primarily to insure satisfaction of defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference rating assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian requirements.

(e) *Violations.* Any person affected by this order, who violates any of its provisions, or a provision of any other order, direction or regulation issued by the Director of Priorities, may be prohibited by the Director from making or receiving further deliveries of nickel, or of any other material subject to allocation, or he may be subjected to any other or further action as the Director may deem appropriate.

(f) *Revocation of General Preference Order M-6.* General Preference Order M-6, issued by the Director of Priorities May 15, 1941, is hereby revoked.

(g) *Effective Date.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of March, 1942.

(P.D. Reg. 1, August 27, 1941, 6 F.R. 4489; OPM Reg. 3, March 8, 1941, 6 F.R. 1596, as amended September 2, 1941; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; E.O. 8875, Aug. 28, 1941, 6 F.R. 4483; Sec. 2(a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session; Sec. 9, Public No. 783, 76th Congress, Third Session.)

Issued this 30th day of September, 1941.

DONALD M. NELSON, *Director of Priorities.*

Chromium Chemicals—Allocation

Vf·1,090. Chromium chemical use under Order M-18-b. The use of chromium in chemicals was subjected on March 26, 1942 to Order M-18-b. Under the order, effective immediately, the use of chromium in the manufacture of roofing materials, ceramics, soap, and glass is prohibited. Chromium pigment is restricted to 90%, by months, of the amount used in the year ending June 30, 1941. The manufacture of chromic acid is restricted to 80% of the base period. Chromium used for the tanning of leather is restricted to 90%. All other uses of chromium as a chemical are restricted to 100% of the base period. Chromium used in the preservation of wood is restricted to orders carrying preference ratings of A-10 or higher.

Supplementary Order M-18-b—Chromium

Whereas, increasing national defense requirements, including the need for adequate reserves occasioned by the uncertainty of future shipments from abroad have created a shortage in the supply of Chromium (as hereinafter defined) for defense, for private account, and for export, and it is necessary in the public interest and to promote the defense of the United States further to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered that

Sec. 949.3 **Supplementary Order.**

(a) *Restrictions on Use of Chromium.*

(1) *Prohibited Uses.* Hereafter the use or consumption by any person of Chromium in the manufacture or processing of roofing materials, ceramics, soap or glass is prohibited.

(2) *Curtailment in Certain Uses.* Hereafter the aggregate Chromium oxide content of Chromiums which may be used by any person in the following processes shall be curtailed or restricted to the following quantities:

(i) In the manufacture of Chromium pigment (also known as dry colors) in any one calendar month commencing with March, 1942 to not more than ninety percent (90%) of one-twelfth of the aggregate weight of such oxide content consumed by him for such purpose during the base period.

(ii) In the manufacture of Chromic Acid in any one calendar month commencing with March, 1942 to not more than eighty percent (80%) of one-twelfth of the aggregate weight of such oxide content consumed by him for such purpose during the base period.

(iii) In leather tanning in any one calendar month commencing with March, 1942 to not more than ninety percent (90%) of one-twelfth of the aggregate weight of such oxide content consumed by him for such purpose during the base period.

(iv) In any use of Chromium other than the uses specified in subparagraphs (i), (ii) and (iii) of this paragraph (a) (2), in any calendar month commencing with March, 1942 to not more than one hundred percent (100%) of one-twelfth of the aggregate weight of such oxide content consumed by him in such use during the base period; provided however that nothing shall be construed to restrict in any way any metallurgical or refractory use of Chromium.

(v) In the case of any person requiring Chromium for any use specified in this paragraph (a) (2) but who was not a consumer in the base period, his permitted consumption shall be in the same proportions hereinabove indicated, but shall be based on his consumption during the month of September, 1941.

(b) *Restrictions on Inventories.* No Consumer of Chromium shall accept delivery of Chromium if the quantity of Chromium accepted, taken together with the Chromium then on hand, will, in terms of aggregate Chromium oxide content, exceed an amount of Chromium equal to one-twelfth of the aggregate weight of such oxide content used during the base period, or if such Consumer was not in the business of using Chromium continuously during the base period then an amount of Chromium equal to the aggregate weight of such oxide content used during September, 1941; provided, however, that the limitations of this paragraph shall not apply to Chromium to be used for metallurgical and refractory purposes and that Chromium used for such purposes in the base period (or September, 1941) shall not be taken into account, and provided further that this paragraph shall not be construed to prevent any Consumer from accepting delivery of his normal purchasing unit of Chromium (for example, can, drum or carload) if such acceptance does not operate to give him a greater supply of Chromium in the aggregate than one-sixth of the aggregate weight of such oxide content used during the base period.

(c) *Reports by Consumers of Primary Chromium Chemicals.* Except as specifically authorized by the Director of Industry Operations, no Processor or Dealer shall make, and no person shall accept, delivery of Primary Chromium Chemicals in any month unless the person seeking delivery shall on or before the 8th day of such month have filed with the Processor a report on Form PD-54 and have sent a copy thereof to the War Production Board, or, if the delivery is made or accepted prior to the 8th day of a month, have filed such report and sent such copy on or before the 8th day of the preceding month. The filing of such form shall, in so far as concerns Primary Chromium Chemicals, be in lieu of the filing of any form pursuant to paragraph (e) of General Preference Order M-18-a.

(d) *Additional Restrictions on Sales and Deliveries.*

(1) No Processor or Dealer shall knowingly sell or, directly or indirectly, deliver or cause to be delivered any Chromium for any one or more of the uses specified in paragraph (a) (2) hereof in greater quantities than are herein specified nor for any use prohibited by paragraph (a) (1) hereof; and no Dealer or Consumer shall accept deliveries of Chromium for any one or more of the uses specified in paragraph (a) (2) in greater quantities than for permitted consumption and inventory or for any prohibited use.

(2) No Processor or Dealer shall knowingly sell or, directly or indirectly, deliver or cause to be delivered any Chromium intended for use in wood preserving unless a preference rating of A-10 or higher has been assigned to the order submitted to such Processor or Dealer for the material intended for such use.

(e) *Definitions.* For the purposes of this Order:

(1) "Chromium" means and includes:

(i) Chromium ores or concentrates;

(ii) The element Chromium in pure form, ferrochromium, chrom-x, chrome briquettes, and other combinations of the element Chromium with other elements in semi-manufactured or manufactured form, commercially suitable for use in the manufacture of steel or for other metallurgical purposes;

(iii) All chemical combinations having Chromium as an essential and recognizable component.

(iv) Those products containing Chromium known commercially as refractories or refractory materials;

(v) All scrap or secondary material containing Chromium as defined in (i), (ii), and (iii) above.

(2) "Primary Chromium Chemicals" means and includes bichromate of soda, bichromate of potash, sodium chromate and chromium tanning compounds.

(3) "Producer" means any person who mines or otherwise produces natural materials containing recoverable quantities of Chromium.

(4) "Processor" means any person who uses ores or concentrates for the manufacture of, or which he converts into, Chromium chemicals, Chromium refractories or metallurgical forms of Chromium.

(5) "Dealer" means any person who procures Chromium either by importing or from domestic sources for sale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(6) "Base Period" means the period July 1, 1940 to June 30, 1941.

(f) *Miscellaneous Provisions.*

(1) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any

Copyright, April 7, 1942, Research Institute.

provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(2) *Intra-Company Transactions.* The prohibitions or restrictions contained in this Order with respect to deliveries shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division or section of a single enterprise to another bransh, division or section of the same or any other enterprise owned or controlled by the same person.

(3) *Violations.* Any person affected by this Order, who violates any of its provisions, or a provision of any other order, direction or regulation issued by the Director of Industry Operations, may be prohibited by the Director from making or receiving further deliveries of Chromium or of any other material subject to allocation, or he may be subjected to any other or further action which the Director may deem appropriate.

(4) *Appeals.* Any person affected by this Order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of Chromium conserved, or that compliance with this Order would disrupt or impair a program of conversion from nondefense to defense work, may appeal to the War Production Board, Ref.: M-18-b, attention Chemicals Branch, setting forth the pertinent facts and the reason he considers he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(5) *Effective Date.* This Order shall take effect immediately and shall continue in effect until revoked by the Director of Industry Operations.

Issued this 26th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Nickel Bearing Steel—Allocation

(Superseded by Steel Allocation—See ¶s Vf·700 et seq.)

Vf·2,200. Nickel Bearing Steel Allocation superseded by Steel Allocation. Supplementary Order M-21-a which provides full priority control over steel products revokes General Preference Order M-5 and Supplementary Orders M-5-a and M-5-b. Supplementary Order M-21-a does away with the differences between nickel bearing steel and other steel alloys from the viewpoint of priority control. Henceforth, all steel alloys are subject to Order M-21 and more specifically to Supplementary Order M-21-a. (For information on nickel bearing steel, see ¶ Vf·700)

Nickel Scrap—Price Control

Vf·2,350. Price ceiling on nickel scrap and secondary metals. Ceiling prices for a wide variety of scrap and secondary materials containing nickel were established in Price Schedule No. 8, effective June 2, 1941. It covers pure nickel scrap, ferro-nickel-chrome-iron scrap, ferro-nickel-iron scrap, monel metal scrap, cupro-nickel alloy scrap, stainless steel scrap, nickel steel scrap, secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot. The schedule also fixes maximum prices for the straight chrome type of stainless steel scrap, which contains no nickel. Prices for this type of stainless steel scrap had been out of line and it was felt advisable to include it in the price schedule, together with the other types of stainless steel scrap. The imposition of price ceilings for these materials was necessitated by the high prices being charged for their nickel content, according to Administrator Henderson. Frequently such prices have been double or triple the price of virgin nickel.

Except for stainless steel scrap and nickel steel scrap, basic maximum prices are established to apply on sales of scrap, unsuitable and unprepared for industrial consumption. However, a premium is allowed any seller of scrap, termed a "converter," who performs all of the following functions:

(1) Sells scrap directly to a consumer;

(2) By chemical test or assay, determines the metal constituents of the scrap;

(3) On that basis, sorts, grades, treats, packages or briquettes by hydraulic press, and otherwise prepares the scrap, for direct industrial consumption;

(4) Guarantees the delivery of scrap in an agreed amount and analysis. Unless a seller of scrap satisfies all four criteria, he is not a converter and is not entitled to the converter's premium but must sell his scrap at not more than the basic maximum prices.

Quantity differentials are also established entitling any seller of scrap, whether he is a converter or not, to a premium for shipments of a specified quantity or more of material at one time. Thus a converter may be entitled to both the converter's premium and the quantity premium. Sellers who are not converters may nevertheless be entitled to the quantity premium.

Vf·2,351. How prices are computed under price schedule. The following will illustrate how the maximum prices are to be computed. For example, the basic maximum price established for a pound of Inconel, containing 80% nickel, 14% chrome, and 6% iron, is 26½¢ per pound of nickel contained; 8¢ per pound of chrome contained, and no payment for the iron. The basic maximum price is thus 22.32¢ per pound. Any person shipping 10,000 pounds or more of Inconel at one time may receive 22.82¢ per pound, including a quantity premium of ½¢. A converter shipping 10,000 pounds or more may receive 24.32¢ per pound, including a converter's premium of 1½¢ per pound. A converter shipping less than 10,000 pounds may receive 23.82¢ per pound.

In addition to the basic maximum prices fixed for stainless steel scrap, a premium of $10 a ton is allowed for sales of scrap in the form of hydraulic press briquettes.

The maximum prices for nickel steel scrap are tied to the maximum prices established for steel scrap in the Iron and Steel Scrap Price Schedule No. 4, Revised. (See ¶s Vf·256 et seq.) A grade of steel scrap containing less than 1% nickel may not be sold at more than the maximum price for a like grade of steel scrap fixed in Price Schedule No. 4, Revised. The maximum price for a grade of steel scrap which contains 1% or more nickel is the maximum price for a like grade of steel scrap fixed in Price Schedule No. 4, *plus* $1 per gross ton for each ¼ of 1% of nickel content.

A broker's commission is allowed on sales of stainless steel scrap or nickel steel scrap. The broker's commission on stainless steel scrap is 5% of the established maximum price; it is 2% on nickel steel scrap.

The ceiling prices on secondary monel ingot, secondary monel shot, and secondary copper-nickel shot will bring the prices of these materials into line with the prices of equivalent secondary materials. Premiums are allowed for the sale of these secondary materials in smaller lots.

Vf·2,352. Provision for relief from hardship. The maximum prices established in Price Schedule No. 8 went into effect on June 2, 1941, regardless of pre-existing contracts. However, permission may be granted by OPACS to any person to carry out contracts entered into prior to May 30, 1941, the date on which Price Schedule No. 8 was published in the Federal Register, if such permission is necessary to protect such person against loss in the disposition of inventory already acquired at prices higher than the established maximum prices. Requests should be addressed to the Office of Price Administration and Civilian Supply, Washington, D. C.

Vf·2,353. Text of Price Schedule No. 8 on Scrap and Secondary Materials Containing Nickel. The following is the text of Price Schedule No. 8 on Scrap and Secondary Materials Containing Nickel issued May 29, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

Part 1308—Scrap and Secondary Materials Containing Nickel

Price Schedule No. 8—Pure Nickel Scrap, Monel Metal Scrap, Stainless Steel Scrap, Nickel Steel Scrap and Other Scrap Materials Containing Nickel, Secondary Monel Ingot, Secondary Monel Shot, and Secondary Copper-Nickel Shot.

Due to the needs of the defense program, the demand for primary nickel, primary materials containing nickel, and for scrap and secondary materials containing nickel, has increased to the extent that the available supplies of such materials are insufficient to satisfy the total defense and civilian demand. As a consequence, inflationary pressure has been exerted upon the prices of such scrap and secondary materials causing their prices to rise greatly in excess of levels which are in proper relation to the price levels of primary materials. Price instability and dislocations injurious to the national defense and civilian economy have resulted. All this

Copyright, October 17, 1941, The Research Institute of America, Inc.

has made it difficult, and in some cases impossible for the trade to cooperate with the Government in maintaining price stability.

Accordingly, pursuant to and under the authority vested in me by Executive Order No. 8734, it is hereby directed that:

§ 1308.1 *Maximum prices on sales of pure nickel scrap, monel metal scrap, stainless steel scrap, nickel steel scrap and other scrap materials containing nickel.* On and after June 2, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, entered into prior to such date, except as provided in § 1308.3 hereof, no person shall sell, offer to sell, deliver, or transfer at a price, to any other person, pure nickel scrap, ferro-nickel-chrome-iron scrap, ferro-nickel-iron scrap, monel metal scrap, cupro-nickel alloy scrap, stainless steel scrap, or nickel steel scrap, at prices higher than the maximum prices set forth in Appendix A, incorporated herein as § 1308.10. No person shall buy, or offer to buy, or accept delivery of, such scrap materials from any person at higher prices. Lower prices than those set forth in Appendix A may, however, be charged, demanded, paid, or offered.*

§ 1308.2 *Maximum prices on sales of secondary monel ingot, secondary monel shot and secondary copper-nickel shot.* On and after June 2, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, entered into prior to such date, except as provided in § 1308.3 hereof, no person shall sell, offer to sell, deliver, or transfer at a price, to any other person, secondary monel ingot, secondary monel shot, or secondary copper-nickel shot, at prices higher than the maximum prices set forth in Appendix B, incorporated herein as § 1308.11. No person shall buy, or offer to buy, or accept delivery of, such secondary materials at higher prices. Lower prices than the prices set forth in Appendix B, may, however, be charged, demanded, paid, or offered.*

§ 1308.3 *Permission to carry out contracts.* Any person seeking permission to carry out a contract of sale or purchase, or other commitment, entered into prior to May 30, 1941, and calling for the delivery, after May 30, 1941, of any of the scrap or secondary materials described in Appendix A or B, at prices higher than the maximum prices set forth in the Appendices, may apply for such permission in writing upon forms available upon request made to the Office of Price Administration and Civilian Supply, Washington, D. C. Permission will be granted if necessary to protect such person against loss in the disposition of inventory already acquired at prices higher than the established maximum prices. Permission, therefore, may be obtained *only* if such scrap or secondary materials, in quantities sufficient to carry out such contract or commitment, were acquired at prices higher than the established maximum prices, and held on May 30, 1941, by (1) the person seeking such permission and (2) any other person, for delivery to the person seeking such permission, under a firm commitment entered into prior to May 30, 1941.*

§ 1308.4 *Evasion.* The price limitations set forth in this Schedule shall not be evaded whether by direct or indirect methods in connection with a purchase, sale, or transfer at a price, of the scrap or secondary materials described in Appendix A or B, or in connection with a purchase, sale, or transfer at a price of any other materials, or by way of any service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or otherwise.*

§ 1308.5 *Record-keeping requirements.* Every person purchasing or selling the scrap or secondary materials described in Appendix A or B, shall, until such time as further information is deemed necessary or appropriate hereunder, keep for inspection by the Office of Price Administration and Civilian Supply, and preserve for a period not less than one year, complete and accurate records of:

(a) every purchase and sale of such scrap or secondary materials, showing the name and address of the person from or to whom each such purchase or sale was made, the date thereof, the price paid or received, and the quantity, in pounds or tons, of each kind or grade purchased or sold; and

* §§ 1308.1 to 1308.11, inclusive, issued pursuant to the authority contained in Executive Order 8734.

(b) the quantity, in pounds or tons, of such scrap materials and, separately, the quantity, in pounds or tons, of such secondary materials (i) on hand, and (ii) on order, as of the close of each month.*

§1308.6 *Enforcement.* In the event of refusal or failure to abide by the price limitations, record requirements, and other provisions contained in this Schedule, or in the event of any evasion or attempt to evade the price limitations or other provisions contained in this Schedule, this Office will make every effort to assure (a) that the Congress and the public are fully informed of any failure to abide by the provisions of this Schedule; and (b) that the powers of the Government are fully exerted in order to protect the public interest and the interest of those persons who conform with this Schedule in the maintenance of the ceiling prices herein set forth. Persons who have evidence of the demand or receipt of prices above the limitations set forth, or of any evasion of or effort to evade such requirements, or of speculation, or manipulation of prices of the scrap and secondary materials, for which maximum prices are herein established, or of the hoarding or accumulating of unnecessary inventories thereof, are urged to communicate with the Office of Price Administration and Civilian Supply.*

§ 1308.7 *Supplemental schedule and reporting requirements.* In order to insure compliance with this Schedule supplements further stating its scope and, if necessary, requiring reports to the Government, will be issued from time to time when found appropriate.*

§ 1308.8 *Modification of the Price Schedule.* Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration and Civilian Supply for approval of any modification thereof or exception therefrom.*

§ 1308.9 *Definitions.* When used in this Schedule, the term "person" includes an individual, partnership, association, corporation or other business entity.*

Issued this 29th day of May, 1941.

.....
LEON HENDERSON,
Administrator

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL.....
JOHN E. HAMM,
Deputy Administrator

* §§ 1308.1 to 1308.11, inclusive, issued pursuant to the authority contained in Executive Order 8734.

Vf·2,354. Schedule of Maximum Prices (Appendix A to Price Schedule No. 8). The following is the text of Appendix A containing the maximum prices for pure nickel scrap, monel metal scrap, nickel steel scrap, stainless steel scrap, and other scrap materials containing nickel, which was issued in conjunction with Price Schedule No. 8:

§ 1308.10 *APPENDIX A—maximum prices for pure nickel scrap, monel metal scrap, nickel steel scrap, stainless steel scrap, and other scrap materials containing nickel.*

Introductory

Maximum prices herein established are for the principal kinds or grades of the scrap materials. All other kinds or grades, which are not specified, should be sold at their normal differentials from such principal kinds or grades. Moreover, the maximum prices are established for scrap which meets generally accepted maximum standards in the trade—as, for instance, the standard classification of the National Association of Waste Material Dealers, Inc., contained in its Circular O, effective as of June 1, 1940. Scrap which fails to meet such standards should be sold at their normal differentials *below* the established maximum prices.

Copyright, October 17, 1941, The Research Institute of America, Inc.

PART I

Pure Nickel Scrap, Ferro-Nickel-Chrome-Iron Scrap, Ferro-Nickel-Iron Scrap Monel Metal Scrap and Cupro-Nickel Alloy Scrap

The maximum prices established for the kinds and grades of scrap materials set forth in Part I of this Appendix, apply on sales of scrap, unsuitable and unprepared for industrial consumption. A converter of scrap as hereinafter defined, may receive, in addition to the maximum prices set forth below, a stated maximum premium for scrap which he has converted. A "converter" of scrap is defined for the purposes of this Price Schedule to include only those persons who:

(1) sell scrap directly to a consumer thereof; and,

(2) by chemical test or assay, determine the metal constituents of the scrap; and,

(3) on that basis, sort, grade, treat, package or briquette by hydraulic press, and otherwise prepare, the scrap, making it suitable for direct industrial consumption; and

(4) guarantee the delivery of scrap in an agreed amount and analysis.

Unless a seller of scrap satisfies the four criteria, set forth above, he may not receive a converter's premium. His scrap must not be sold at a price higher than the maximum prices set forth below.

Furthermore, a converter or any other person may receive, in addition to the maximum prices set forth below, a premium of a stated maximum amount on shipments of a specified quantity of material.

Kind or Grade of Scrap Material	***Price*** (f.o.b. point of shipment)
Pure Nickel Scrap	
Containing 98% or more nickel and not more than ½% copper	26¢ per pound of material.
Containing 90% up to 98% nickel	26¢ per pound of nickel contained; no payment for any other metals contained.
Converter's premium	2¢ per pound of material.
Premium on shipments of 2000 pounds or more of material at one time	½¢ per pound of material.
Ferro-nickel-chrome-iron scrap	
Containing 20% up to 90% nickel	26½¢ per pound of nickel contained; 8¢ per pound of chrome contained; no payment for any other metals contained.
Converter's premium	1½¢ per pound of material.
Premium on shipments of 10,000 pounds or more of material at one time	½¢ per pound of material.
Ferro-nickel-iron scrap	
Containing 14% up to 90% nickel and no chrome	26½¢ per pound of nickel contained; no payment for any other metals contained.
Converter's premium	1½¢ per pound of material.
Premium on shipments of 10,000 pounds or more of material at one time	½¢ per pound of material.

Kind or Grade of Scrap Material	*Price* (f.o.b. point of shipment)
Monel Metal Scrap	
New Monel Metal Clippings	20¢ per pound of material.
Soldered Monel Metal Sheet	18¢ per pound of material.
No. 1 Grade Monel Castings and Turnings Containing a minimum of 60% nickel, 30% copper, and not more than 3% free iron, clean and dry	15¢ per pound of material.
Converter's premium	2¢ per pound of material.
Premium on shipments of 20,000 pounds or more of material at one time	½¢ per pound of material.
Cupro-Nickel Alloy Scrap	
Containing 90% or more combined nickel and copper	26¢ per pound of nickel contained;
	8¢ per pound of copper contained; no payment for any other metals contained.
Containing less than 90% combined nickel and copper	26¢ per pound of nickel contained; no payment for any other metals contained.
Converter's premium	2¢ per pound of material.
Premium on shipments of 20,000 pounds or more of material at one time	½¢ per pound of material.

PART II

Stainless Steel Scrap and Nickel Steel Scrap

In the event that a consumer of stainless steel scrap or nickel steel scrap shall employ an agent or broker to purchase such scrap for the consumer's use, the consumer may pay the agent or broker for such scrap a sum not exceeding the applicable maximum price set forth below *plus* a commission, in the case of stainless steel scrap, of not more than 5%, and in the case of nickel steel scrap, of not more than 2%, of such maximum price. The commission shall be payable only if (a) the agent or broker guarantees the quality and delivery of an agreed tonnage of the scrap; (b) the commission is shown as a separate charge in invoicing and billing; and (c) the agent or broker does not split or divide the commission allowed him by a consumer with the seller or sellers of the scrap.

Kind or Grade of Scrap Material	*Price* (f.o.b. point of shipment)
Stainless Steel Scrap	
18% Chrome, 8% Nickel Type	
Containing 16%-20% chrome and 7%-10% nickel, except as indicated below	$85 per gross ton.
Containing 18% chrome, 8% nickel and .08% or less carbon	$95 per gross ton.
All other grades or types of chrome-nickel stainless steel scrap	28¢ per pound of nickel contained;
	9½¢ per pound of chrome contained; no payment for any other metals contained.
Straight Chrome Type	
Containing 16%-18% chrome	$40 per gross ton.
Containing 12%-14% chrome	$35 per gross ton.

Copyright, October 17, 1941, The Research Institute of America, Inc.

A maximum of $10 a gross ton may be added to the maximum prices set forth above for sales of stainless steel scrap in the form of hydraulic press briquettes.

Nickel Steel Scrap

The maximum price at which a grade of steel scrap containing less than 1% of nickel may be sold to a consumer shall be the maximum price for a like grade of steel scrap, as set forth or determined under the Iron and Steel Scrap Price Schedule No. 4, Revised.

The maximum price at which a grade of steel scrap containing 1% or more nickel may be sold to a consumer shall be the maximum price for a like grade of steel scrap, as set forth or determined under the Iron and Steel Scrap Price Schedule No. 4, Revised, *plus* $1.00 per gross ton for each ¼ of 1% of nickel content.[1]

[1] The formula shall be applied in accordance with the following table:

1% up to 1.25% nickel content	+ $4
1.25% up to 1.50% nickel content	+ $5
1.50% up to 1.75% nickel content	+ $6
1.75% up to 2.00% nickel content	+ $7
2.00% up to 2.25% nickel content, etc.	+ $8

Vf·2,355. Schedule of maximum prices on secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot (Appendix B to Price Schedule No. 8). The following is the text of the schedule of maximum prices, Appendix B, on secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot which was issued in conjunction with Price Schedule No. 8:

§ 1308.11 *APPENDIX B—maximum prices for secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot.*

Kind or Grade of Secondary Material	*Price* (per pound, f.o.b. point of shipment)
Monel Ingot	27¢
Monel Shot	27¢
Copper-Nickel Shot (containing 48% to 52% Nickel and 52% to 48% Copper and not more than ½% foreign materials)	25½¢

The maximum prices herein established are for the principal kinds or grades of the secondary materials. All other kinds or grades which are not specified should be sold at their normal differentials from such principal kinds or grades. The maximum prices set forth above apply if the kind or grade of secondary material is sold, shipped, delivered, or carried away, in lots of 30,000 pounds or more. If such secondary material is sold *and* shipped, delivered, or carried away in lots of:

10,000 up to 30,000 pounds, ½¢ per pound may be added to such prices
2,000 up to 10,000 pounds, 1 ¢ per pound may be added to such prices
1,000 up to 2,000 pounds, 1½¢ per pound may be added to such prices
500 up to 1,000 pounds, 2 ¢ per pound may be added to such prices
100 up to 500 pounds, 2½¢ per pound may be added to such prices
less than 100 pounds, 3½¢ per pound may be added to such prices

Vf·2,356. Amendment of Price Schedule No. 8. An amendment to Price Schedule No. 8, designed to facilitate and encourage imports of scrap and secondary materials containing nickel, was issued June 26, 1941 by the Office of Price Administration and Civilian Supply. The general effect of the amendment

will be to permit the sale in this country of imported scrap and secondary materials containing nickel at prices above the established maximum prices. Resale prices will be sufficient to cover the cost of importing the materials, including duty, freight, insurance, etc. However, permission must be obtained from OPACS to carry through each such transaction at the higher price. Action was taken after consultation with the Office of Production Management and many persons within the industry because of the importance of nickel to the defense program. The amendment provides:

(1) Scrap and secondary materials containing nickel may be purchased abroad at not above the maximum prices established in Price Schedule No. 8 for sales in this country. The schedule fixes maximum prices on an f.o.b. shipping point basis.

(2) The importer may then apply to OPACS for permission to sell such materials in this country at prices higher than those established as ceilings in Price Schedule No. 8.

(3) Such sales in this country will not be permitted at prices exceeding the maximums established in the schedule for domestic sales, plus the duty, freight, insurance, etc., that must be paid to bring the materials to this country, plus the premiums allowed converters on sales of the particular kind or grade of scrap material involved as set forth in Appendix A of the schedule. (See ¶ Vf·2,354)

Special Forms on which application may be made for permission to sell imported scrap or secondary materials containing nickel at prices above the fixed ceiling prices have been prepared by OPACS and may be obtained upon request to it. (See ¶ Vf·2,358)

Vf·2,357. Text of Amendment to Price Schedule No. 8, June 26, 1941. The following is the text of the Amendment to Price Schedule No. 8 issued on June 26, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

Part 1308—Scrap and Secondary Materials Containing Nickel

Amendment to Price Schedule No. 8

The great need of our defense industries for scrap and secondary materials containing nickel makes it necessary to amend Price Schedule No. 8 to facilitate and encourage the importation of such materials.

Accordingly, pursuant to and under the authority of Executive Order 8734, Part 1308, Price Schedule No. 8, is hereby amended by the addition of the following section:

Sec. 1308.3a *Imports*

Sec. 1308.1 and Sec. 1308.2 apply to imports of any of the scrap or secondary materials described in Appendix A or B. However, any person who imports such materials may apply for permission to sell such materials at prices higher than the maximum prices set forth in the Appendices. Such permission shall be applied for in writing upon forms available upon request made to the Office of Price Administration and Civilian Supply, Washington, D. C. Permission will not be granted unless:

(a) the applicant has purchased the imported materials at prices not exceeding the maximum prices set forth in Appendix A or B; and

Copyright, October 17, 1941, The Research Institute of America, Inc.

(b) the prices at which the applicant seeks to sell the imported materials are approved by the Office of Price Administration and Civilian Supply. The Office of Price Administration and Civilian Supply will not approve the sale of imported scrap materials containing nickel at prices which exceed the delivered cost of the materials to the applicant *plus* the premiums allowed a converter on sales of the particular kind or grade of scrap material involved, as set forth in Appendix A, and

(c) the prospective consumer of the imported materials is disclosed.

Issued this 26th day of June, 1941.

.....

LEON HENDERSON, *Administrator.*

CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL.

.....

JOHN R. HAMM, *Deputy Administrator.*

Vf·2,358. Form 108:5—application form for permission to sell at higher prices. The following is the text of the application for permission to sell imported scrap or secondary materials containing nickel at prices higher than the maximum prices established in Price Schedule No. 8:

Form 108:5

OFFICE FOR EMERGENCY MANAGEMENT

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

Washington, D. C.

APPLICATION OF

.....

(Name of Applicant)

.....

(Address)

FOR PERMISSION TO SELL IMPORTED SCRAP OR SECONDARY MATERIALS CONTAINING NICKEL AT PRICES HIGHER THAN THE MAXIMUM PRICES ESTABLISHED BY PRICE SCHEDULE No. 8

The applicant herein requests permission, pursuant to the provisions of paragraph 3a of Price Schedule No. 8, to sell the scrap or secondary materials containing nickel, described below, at prices higher than the maximum prices established by Price Schedule No. 8, and to that end sets forth the following information:

1. Name and address of person from whom the materials were purchased.

.....

.....

2. Date of shipment.
3. If shipped by boat, name of boat.
4. Prices at which such materials were purchased.

Kind or Grade of Material	Price (f.o.b. point of shipment)	Total Cost to Applicant

5. Name and address of person to whom such materials are to be sold.

.....

.....

6. State whether such purchaser is a dealer, converter or consumer and if not a consumer, give the name of the prospective consumer.

7. Prices at which such materials are to be sold.

Kind or Grade of Material

.....

Applicant

By .....

Title of Office.....

Dated this .....day
of....., 1941.

State of .....} ss.:
County of .....}

On this.....day of....., 1941, before me personally appeared ....., who being first duly sworn did depose and say that he is the .....of the.....; that he executed the foregoing Application on behalf of said.....and was duly authorized so to do, and that he has knowledge of the facts and statements set forth in said Application and in the Appendices thereto and that they are accurate and complete to the best of his knowledge, information and belief.

.....

Notary Public in and for the County of

....., State of.....

My commission expires .....

8. Definitions:

(a) The term "person" includes an individual, partnership, association, corporation or other business entity.

(b) "Scrap or secondary materials containing nickel" and "kinds or grades" of such materials means the kinds and grades of scrap and secondary materials containing nickel referred to in Appendix A and Appendix B of Price Schedule No. 8.

Vf·2,359. Form 108:2—Application for permission to carry out commitments entered into prior to May 30, 1941 at prices higher than maximum set by Price Schedule No. 8. Reproduced below is Form 108:2, application for permission to carry out commitments entered into prior to May 30, 1941 at prices higher than maximum set by Price Schedule No. 8:

Copyright, October 17, 1941, The Research Institute of America, Inc.

APPLICATION FOR PERMISSION TO CARRY OUT COMMITMENTS ENTERED INTO PRIOR TO MAY 30, 1941 AT PRICES HIGHER THAN MAXIMUM SET BY PRICE SCHEDULE 8

OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY
WASHINGTON, D. C.

Form 108:2

APPLICATION OF

.....
(Name of applicant)

.....
(Address)

For Permission to Carry Out Commitments Entered Into Prior to May 30, 1941, at Prices Higher Than the Maximum Prices Established by Price Schedule No. 5 for Scrap and Secondary Materials Containing Nickel

INTRODUCTORY

The applicant should file a sworn original and one copy of each application and duplicates of each Appendix thereto, with the Office of Price Administration and Civilian Supply, Washington, D. C.

Pursuant to paragraph 3 of Price Schedule No. 8, this Office will grant permission to any person, herein referred to as the applicant, to carry out any firm commitment, entered into prior to May 30, 1941, which calls for the delivery, after May 30, 1941, of any of the scrap or secondary materials containing nickel, described in Appendix A or Appendix B of the Price Schedule at prices higher than the maximum prices fixed in the Schedule; provided that quantities of such materials, sufficient to complete delivery under such commitment, were acquired at prices higher than the established maximum prices and held on May 30, 1941, by (1) the applicant, and (2) any other person, for delivery to the applicant, under a firm commitment entered into prior to May 30, 1941.

The applicant should furnish in the Appendices to the application such information as may be relevant in determining whether the conditions set forth above have been met. The appendices should be prepared only after reading the Instructions and Explanation, contained herein.

Application is hereby made pursuant to paragraph 3 of Price Schedule No. 8 for permission to carry out the firm commitments described in Appendix A, attached hereto, and to that end the applicant affirms:

A. That this application is filed for the purpose of enabling the applicant, by completing deliveries under such firm commitments, to avoid loss in the disposition of such scrap or secondary materials containing nickel, already acquired at prices higher than the established maximum prices; and

B. That the firm commitments described in Appendix A were made prior to May 30, 1941, and that deliveries thereon have not been made, except to the extent indicated in Appendix A; and

C. That, in order to meet such firm commitments, the applicant in the manner and to the extent indicated in Appendix B, has acquired the quantities of scrap or secondary materials containing nickel set forth in Appendix B, at prices higher than the established maximum prices and held such quantities on May 30, 1941; and

D. That, in order to meet such firm commitments, the applicant had outstanding on May 30, 1941, firm commitments for the purchase of such scrap or secondary materials containing nickel, as shown in Appendix C, attached hereto, and has been advised that the selling parties to such commitments, in the manner and to the extent indicated in Appendix C, acquired

such materials at prices higher than the established maximum prices and held such materials on May 30, 1941, for delivery to the applicant; and

E. That, as of May 30, 1941, the applicant held either in its inventory, as indicated in Appendix B, or under firm purchase commitments, as indicated in Appendix C, quantities of scrap or secondary materials containing nickel, set forth in Appendix B or Appendix C, sufficient to complete delivery on the firm commitments described in Appendix A; and

F. That the information contained in this application and in the Appendices attached hereto is complete and accurate to the best knowledge of the applicant.

The applicant understands and agrees that any permission granted pursuant to this Application to carry out commitments entered into prior to May 30, 1941, at prices in excess of those established by Price Schedule No. 8 may be revoked at any time, in whole or in part, upon it appearing that the facts are not as set forth in this Application and the Appendices attached hereto or that, for any reason, applicant is not entitled under the terms of said Price Schedule No. 8 to such permission.

.....
(Applicant)

By .....

.....
(Title of office)

Dated this.....day of....., 1941.

State of .....,

County of ....., ss:

On this.....day of....., 1941, before me personally appeared....., who being first duly sworn did depose and say that he is the.....of the.....; that he executed the foregoing Application on behalf of said..... and was duly authorized so to do; and that he has knowledge of the facts and statements set forth in said Application and in the Appendices thereto and that they are accurate and complete to the best of his knowledge, information and belief.

.....

Notary Public in and for the County of....., State of.....

My Commission expires.....

INSTRUCTIONS AND EXPLANATION

1. *Appendix A* should contain a description of all the firm commitments which the applicant is seeking permission to complete. This description must be sufficiently complete to permit absolute identification of each such firm commitment and every relevant term thereof with respect to which permission is sought. The permission granted pursuant to this application will cover only delivery in accordance with the terms of the firm commitments as such terms are described in Appendix A.

The applicant, therefore, should include in Appendix A at least the following information with respect to each such firm commitment:

(*a*) Name and address of the purchaser.

(*b*) Date on which the firm commitment was made.

(*c*) Form of the commitment, i.e., oral, exchange of letters, order form, signed agreement, etc.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(*d*) Kinds or grades, and quantity, in pounds or tons, of each kind or grade of scrap or secondary materials containing nickel committed giving (1) kinds or grades and quantity, in pounds or tons, of each kind or grade already delivered; (2) kinds or grades and quantity, in pounds or tons, of each kind or grade remaining to be delivered after May 30, 1941, (3) delivery date or dates; and (4) selling price per pound of each kind or grade.

If the commitment is in the form of a written agreement, a copy of the agreement should be made part of Appendix A and submission thereof may be sufficient to supply the required information.

The applicant should not include in Appendix A firm commitments which in the aggregate call for deliveries after May 30, 1941, of quantities of scrap or secondary materials containing nickel, greater than the quantities acquired at prices higher than the established maximum prices and held on May 30, 1941, by (*a*) the applicant, and (*b*) any other person, for delivery to the applicant under a firm commitment entered into prior to May 30, 1941. Exception will not be granted under paragraph 3 of the Schedule in excess of this amount.

2. *Appendix B* should contain the best evidence the applicant can offer to establish that the quantities of scrap or secondary materials containing nickel held in its inventory on May 30, 1941 to meet the commitments described in Appendix A, were acquired by the applicant at prices in excess of the established maximum prices.

The applicant, wherever possible, should give, with respect to each such acquisition, (*a*) name of the person or persons from whom the scrap or secondary materials containing nickel were acquired; (*b*) date of purchase; (*c*) kinds or grades, and quantity, in pounds or tons, of each kind or grade, delivered to the applicant, and delivery date or dates; and (*d*) price per pound at which each kind or grade was acquired. It may also be possible to identify such materials as some particular lot or parts of present stocks. Information should be submitted in such form and detail as is practicable in the individual case.

3. *Appendix C* should contain information with respect to the quantities of scrap or secondary materials containing nickel acquired and held by any person on May 30, 1941, under a firm commitment for the sale of such materials to the applicant, and need be prepared only if the applicant is resting its application, in whole or in part, upon deliveries of such quantities and should include:

(*a*) With respect to each such firm purchase commitment: (1) name and address of the seller; (2) date on which the commitment was made; (3) form of the commitment; (4) kinds or grades, and quantity, in pounds or tons, of each kind or grade of scrap or secondary materials containing nickel committed to be sold to the applicant; (5) selling price per pound of each kind or grade; and (6) delivery date or dates.

(*b*) With respect to each seller's acquisition of materials: On advice of the seller information to establish that the seller acquired such materials prior to May 30, 1941, at prices higher than the established maximum prices and the quantity, in pounds or tons, of each kind or grade of such materials so acquired and held on May 30, 1941, for delivery to the applicant.

4. *Definitions*—

(*a*) "Firm commitment" means any binding obligation to sell, deliver, or transfer at a fixed price.

(*b*) "Scrap or secondary materials containing nickel" and "kinds or grades" of such materials mean the kinds and grades of scrap and secondary materials containing nickel referred to in Appendix A and Appendix B of Price Schedule No. 8.

Vf·2,360. Amendment of September 5, 1941 to Price Schedule No. 8. The following is the text of the amendment of September 5, 1941 to Price Schedule No. 8 for scrap and secondary materials containing nickel:

TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION

Amendments to Price Schedule No. 8

Part 1308—SCRAP AND SECONDARY MATERIALS CONTAINING NICKEL

Sections 1308.9, 1308.10 and 1308.11 of Price Schedule No. 8 are hereby amended to read as follows:

Sec. 1308.9 *Definitions.* When used in this Schedule, the term

(a) "Person" includes an individual, partnership, association, corporation or other business entity.

(b) "Maker" of the scrap materials set forth in Appendix A, paragraph (a), of this Schedule means the person who first sells, offers for sale, or delivers such scrap materials such as (1) any manufacturer or fabricator, who, as an incident to his manufacturing process, fabricating or other industrial uses, produces such scrap materials, or (2) any person who, in his business or as an incident to his business, demolishes or dismantles structures, machinery, vehicles or equipment and removes such scrap materials therefrom for the purpose of sale. (Executive Order No. 8734)

Sec. 1308.10 *Appendix A—Maximum prices for pure nickel scrap, monel metal scrap, nickel steel scrap, stainless steel scrap, and other scrap materials containing nickel.*

INTRODUCTORY

Maximum prices herein established are for the principal kinds or grades of the scrap materials. All other kinds or grades, which are not specified, should be sold at their normal differentials from such principal kinds or grades. Moreover, the maximum prices are established for scrap which meets generally accepted maximum standards in the trade—as, for instance, the Standard Classification for Old Metals of the National Association of Waste Material Dealers, Inc., contained in its Circular O, effective as of June 1, 1940. Scrap which fails to meet such standards should be sold at their normal differentials *below* the established maximum prices.

(a) *Pure nickel scrap, ferro-nickel-chrome-iron scrap, ferro-nickel-iron scrap, monel metal scrap and cupro-nickel alloy scrap.* The maximum prices established for the kinds and grades of scrap materials set forth in this paragraph, apply on sales of scrap, unsuitable and unprepared for industrial consumption. A converter of such scrap materials, as hereinafter defined, may receive, in addition to the maximum prices set forth below, a stated maximum premium for scrap which he has converted. A "converter" of such scrap materials is defined for the purposes of this Price Schedule, as any person, other than a maker of such scrap materials, who:

(1) Sells scrap directly to a consumer thereof; and,

(2) By chemical test or assay, determines the metal constituents of the scrap; and,

(3) On that basis, sorts, grades, treats, packages or briquettes by power press, and otherwise prepares, the scrap, making it suitable for direct industrial consumption; and

(4) Guarantees the delivery of scrap in an agreed amount and analysis.

Unless such person satisfies the four criteria, set forth above, he may not receive a converter's premium. His scrap must not be sold at a price higher than the maximum prices set forth below.

Furthermore, a converter or any other person may receive, in addition to the maximum prices set forth below, a premium of a stated maximum amount on shipments of a specified quantity of material.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Kind or grade of scrap material	*Price, f. o. b. point of shipment*
PURE NICKEL SCRAP	
Containing 98% or more nickel and not more than ½% copper	26¢ per pound of material.
Containing 90% up to 98% nickel	26¢ per pound of nickel contained; no payment for any other metals contained.
Converter's Premium	2¢ per pound of material.
Premium on shipments of 2,000 pounds or more of material at one time	½¢ per pound of material.
FERRO-NICKEL-CHROME-IRON SCRAP	
Containing 20% up to 90% nickel	26½¢ per pound of nickel contained; 8¢ per pound of chrome contained; no payment for any other metals contained.
Converter's Premium	1½¢ per pound of material.
Premium on shipments of 10,000 pounds or more of material at one time	½¢ per pound of material.
FERRO-NICKEL-IRON SCRAP	
Containing 14% up to 90% nickel and no chrome	26½¢ per pound of nickel contained; no payment for any other metals contained.
Converter's Premium	1½¢ per pound of material.
Premium on shipments of 10,000 pounds or more of material at one time	½¢ per pound of material.
MONEL METAL SCRAP	
New Monel Metal Clippings	20¢ per pound of material.
Soldered Monel Metal Sheet	18¢ per pound of material.
No. 1 Grade Monel Castings and Turnings	
Containing a minimum of 60% nickel, 30% copper, and not more than 3% free iron, clean and dry	15¢ per pound of material.
Converter's Premium	2¢ per pound of material.
Premium on shipments of 20,000 pounds or more of material at one time	½¢ per pound of material.
CUPRO-NICKEL ALLOY SCRAP	
Containing 90% or more combined nickel and copper	26¢ per pound of nickel contained; 8¢ per pound of copper contained; no payment for any other metals contained.
Containing less than 90% combined nickel and copper	26¢ per pound of nickel contained; no payment for any other metals contained.
Converter's Premium	2¢ per pound of material.
Premium on shipments of 20,000 pounds or more of material at one time	½¢ per pound of material.

(b) *Stainless steel scrap and nickel steel scrap.* In the event that a consumer of stainless steel scrap or nickel steel scrap shall employ an agent or broker to purchase such scrap for the consumer's use, the consumer may pay the agent or broker for such scrap a sum not exceeding the applicable maximum price set forth below *plus* a commission, in the case of stainless steel scrap, of not more than 5% of such maximum price, *excluding* the $10 premium for briquetting, and in the case of nickel steel scrap, of not more than $1 per gross ton.[1] The commission shall be payable only if (1) the agent or broker guarantees the quality and delivery of an agreed tonnage of the scrap; (2) the commission is shown as a separate charge in

[1] The maximum commission of $1 per gross ton in the case of nickel steel scrap shall become effective September 8, 1941.

invoicing and billing; and (3) the agent or broker does not split or divide the commission allowed him by a consumer with the seller or sellers of the scrap.

Kind or grade of scrap material	*Sheets, clippings, and solids* [1]	*Turnings and borings* [1]
STAINLESS STEEL SCRAP		
18% Chrome-8% Nickel Type		
Containing 16%-20% chrome and 7%-10% nickel.	$90 per gross ton.[2]	$60 per gross ton.[2]
All other grades or types of chrome-nickel stainless steel scrap.	28¢ per pound of nickel contained; 9½¢ per pound of chrome contained; no payment for any other metals contained.	$30 per gross ton *less* than the applicable maximum price for sheets, clippings and solids.[2]

[1] Price, f. o. b. point of shipment.
[2] Effective September 8, 1941.

The maximum prices set forth above apply on shipments of chrome-nickel type stainless steel scrap in carload lots. On shipments of such scrap in less than carload lots the applicable maximum price shall be $10 per gross ton less than the applicable maximum price on carload lot shipments. The minimum quantity making up a carload lot for the purposes of this Schedule shall be the minimum quantity required to obtain railroad carload lot rates from the point of shipment to the point of destination. Such quantity may be made up of any kind or grade of stainless steel scrap, including both the chrome-nickel and the straight-chrome types. If delivery is made by truck, a carload lot shipment will be considered to have been made, for the purposes of this Schedule, if the minimum quantity making up the carload lot is delivered to the buyer within two days after the first shipment of the lot is picked up by truck.

Kind or grade of scrap material	*Sheets, clippings, and solids* [1]	*Turnings and borings* [1]
STRAIGHT-CHROME TYPE		
Containing 12%-14% chrome.	$35 per gross ton.	$30 per gross ton.[2]
Containing 14%-18% chrome.	$40 per gross ton.	$35 per gross ton.[2]
Containing over 18% chrome.	$40 per gross ton plus 9½¢ per pound for each pound of chrome in excess of 18%.[2]	$5 per gross ton *less* than the applicable maximum price for sheets, clippings and solids.[2]

[1] Price, f. o. b. point of shipment.
[2] Effective September 8, 1941.

A maximum of $10 per gross ton may be added to the maximum prices set forth above for sales of stainless steel scrap, both chrome-nickel and straight-chrome types, in the form of power-compressed briquettes (not bundles or bales) which are *suitable* without further preparation for direct charging into an electric furnace. There is no requirement that the briquette actually be charged into an electric furnace; it must merely be suitable for such charging even though it may be charged into another type furnace.

Copyright, October 17, 1941. The Research Institute of America, Inc.

NICKEL STEEL SCRAP

The maximum price at which a grade of steel scrap containing less than 1% of nickel may be sold to a consumer shall be the maximum price for a like grade of steel scrap, as set forth or determined under the Iron and Steel Scrap Price Schedule No. 4, Revised.

The maximum price at which a grade of steel scrap containing 1% or more nickel may be sold to a consumer shall be the maximum price for a like grade of steel scrap, as set forth or determined under the Iron and Steel Scrap Price Schedule No. 4, Revised, *plus* $1.00 per gross ton for each ¼ of 1% of nickel content.[3] (Executive Order No. 8734)

Sec. 1308.11 *Appendix B—Maximum prices for secondary monel metal ingot, secondary monel metal shot, and secondary copper-nickel shot.*

Kind or grade of secondary material:	*Price, cents per pound, f. o. b. point of shipment*
Monel Ingot	27
Monel Shot	27
Copper-nickel shot containing 48% to 52% Nickel and 52% to 48% copper and not more than ½% foreign materials	25½

The maximum prices set forth above apply if secondary monel ingot or shot, or secondary copper-nickel shot is sold, shipped, delivered, or carried away, in lots of 30,000 pounds or more; if sold *and* shipped, delivered, or carried away in lots of:

	Cents per pound may be added to such prices
10,000 up to 30,000 pounds	½
2,000 up to 10,000 pounds	1
1,000 up to 2,000 pounds	1½
500 up to 1,000 pounds	2
100 up to 500 pounds	2½
100 pounds	3½

(Executive Order No. 8734.)

Issued this 5th day of September, 1941.

LEON HENDERSON,
Administrator.

[3] The formula shall be applied in accordance with the following table:

1% up to 1.25% nickel content	+$4,
1.25% up to 1.50% nickel content	+$5,
1.50% up to 1.75% nickel content	+$6,
1.75% up to 2.00% nickel content	+$7,
2.00% up to 2.25% nickel content	+$8, etc.

Vf·2,361. Purpose of September 5, 1941 amendment to Schedule No. 8. The amendment of September 5, 1941, was designed to clarify and revise certain aspects of Price Schedule No. 8, which became effective on June 2, 1941, and covered a wide variety of scrap and secondary materials containing nickel. The order in its original form set price ceilings on nickel bearing scrap sheets, clippings and solids. However, it neglected to fix the price for stainless steel turnings and borings. The result was that the prices of turnings and borings were gradually approaching the level of the solid scrap price. The purpose of the amendment was to reestablish the differentials which exist for various categories of scrap and which

have resulted in the normal course of trade. It is a normal consequence of all price regulations that, if an over-all ceiling is not established, the prices for those products for which a ceiling is not established will shift away from the normal price differential. The September 5, 1941 amendment has the purpose of reestablishing the normal differential. In addition, it breaks down the classifications for scrap even further than was originally done in order to allow higher prices for straight chrome type stainless steel scrap with chrome contents above 12%. The principal changes and the reasons for their adoption follow:

1. *Maker not a converter.* A manufacturer or fabricator who produces nickel-bearing scrap is prohibited from qualifying as a converter and thus is not entitled to the converter's premium set forth in the schedule. The converter's premium is allowed to enable those dealers who perform the specialized functions of a converter to continue in the performance of their functions. Allowing the industrial maker of scrap to be a converter would tend to squeeze the converter out of business because it would give the maker an incentive to sell directly to the consumer and thus by-pass the converter. Definitions of a converter and an industrial maker are set forth in the amendment.

2. *Revision of schedule on stainless steel scrap.* One price—$90 per gross ton—is fixed for the so-called 18% chrome–8% nickel type of stainless steel scrap. Under the original schedule, the maximum price for 18–8 stainless steel scrap containing more than .08% carbon was $85 per gross ton. A maximum of $95 per gross ton was fixed for the same type containing .08% or less carbon. OPA's experience indicated that the differential served no useful function and that in some instances merely afforded an opportunity for violation of the terms of the schedule.

A specific maximum price is established for stainless steel turnings and borings. Turnings and borings have been selling at prices out of line in relation to existing schedule prices, which were intended to apply to sheets, clippings and solids. A maximum price of $30 per gross ton less than the applicable maximum price for sheets, clippings and solids is fixed for turnings and borings in the case of chrome-nickel type stainless steel scrap. In the case of the straight chrome type, the maximum price for turnings and borings is fixed at $5 per gross ton less than the applicable maximum price for sheets, clippings and solids.

A maximum price of $10 per gross ton less than the applicable maximum price for carload lot shipments of chrome-nickel type stainless steel scrap is established for less than carload lot shipments. The amendment provides that a carload lot may be made up of any kind or grade of stainless steel scrap, including both the chrome-nickel and the straight chrome types. One maximum price still applies, however, on straight-chrome stainless steel scrap, regardless of whether it is shipped in carload or less than carload lots.

Responding to a request by the Office of Production Management for uniformity in the present classification of straight chrome type stainless steel scrap, OPA breaks down its classification into a class containing 12–14% chrome, one containing 14–18%, and another containing over 18%. The over 18% class is the only new one, and the maximum price for it is fixed at $40 per gross ton, plus 9½¢ per pound for each pound of chrome in excess of 18%.

Copyright, October 17, 1941, The Research Institute of America, Inc.

The $10 briquetting premium set forth in the present schedule will be allowed under the revised schedule for sales of stainless steel scrap in the form of power pressed briquettes "which are suitable, without further preparation, for direct charging into an electric furnace." Under the old language, the premium applied only to "hydraulic press briquettes." OPA explained that some of the newer machinery for briquetting is electric rather than hydraulic, and no restrictions ought to be placed on the type of machinery used. The requirement that the briquette be suitable for direct charging into an electric furnace is necessary so that premiums cannot be claimed for sales of scrap in the form of bundles or bales. The premium is allowed only for briquetting—a function performed on behalf of the consumer—and not for baling scrap, which must be done preparatory to shipping. There is no requirement, it was pointed out, that the briquette be charged into an electric furnace; it may be charged into an open-hearth furnace; but before the premium is allowed, the briquette must be suitable for charging into an electric furnace.

It is made clear that the 5% broker's commission allowed in sales of stainless steel scrap must be computed by taking 5% of the base maximum price excluding the $10 briquetting premium. Complaints have been received that many brokers have charged their customers 5% of a price which included the briquetting premium.

3. *Brokers' commission on nickel steel scrap.* Brokers will be allowed a flat premium of not more than $1 per gross ton on sales of nickel steel scrap. Brokers had objected that the present 2% commission was too small in view of the small volume of available nickel steel scrap as compared with the much greater volume of available ordinary iron and steel scrap. OPA consulted consumers, who agreed that 2% was too low.

High-Speed Alloy Steels—Allocation*

Vf·2,400. Importance of high-speed alloy steels. High-speed alloy steel has become of great strategic importance because of the increased demands put upon existing sources of supply by the enormous step-up in industrial activity. Despite the inroads made by the cemented carbides, high-speed steel is still by far the most widely used cutting machine tool material and is the greatest channel of tungsten, molybdenum and vanadium consumption. Defense industries are also calling for tungsten steel. The aircraft industry is using tungsten as an alloying element in valves and valve seats because high tungsten steels are able to retain their hardness at high temperatures and thus add greatly to the life of the valves. Tungsten steel is used for armor-piercing bullet cores. Tungsten is also found as an alloying element in armor plate. A large field of application for tungsten is its use in electrical contact points.

During and after World War I, the War Department made studies for the purpose of developing high-speed steels with a lower tungsten content than the commonly used 18-4-1 type. At the Watertown Arsenal it was first proven that molybdenum high-speed steel was an adequate substitute for ordinary high-speed steel. Productive methods were also developed there. Most of the tool steel manufacturers are now producing molybdenum steel with a molybdenum content of 8% and a tungsten content of only 1.5%, thereby substantially reducing the drain on the tungsten supply. Uncertainty in the Far East aggravates the situation because, since 1921, China has accounted for 50 to 70% of the world production of tungsten concentrates. On the other hand, 90% of the world's molybdenum is mined in the United States, and the source of supply for this material is practically unlimited.

Vf·2,401. Importance of tungsten steel. Tungsten steel can be used for practically every purpose where high-speed tool steel is used. It can, however, be replaced by molybdenum type steel in a great number of cases.

Figures available on tungsten indicate that the total supply available in this country during 1941 (not including stockpiles) will approximate 15,000 short tons of concentrates. During the latter half of 1941, however, the consumption of tungsten in direct military and civilian channels may increase to a rate of approximately 20,000 tons of concentrates. These figures indicate that the tungsten situation will probably become increasingly tight. The supply figure will, of course, be affected considerably if imports from China are cut off.

Vf·2,402. Outline of General Preference Order M-14. Under General Preference Order No. M-14 high-speed steel has been divided into two classes: Class A is the molybdenum-type steel; Class B is steel of a higher tungsten content. Producers of high-speed steel and their customers have been requested by the Division of Priorities to read carefully the definitions of the two classes of high-speed steel as set forth in paragraph (a) (1) of General Preference Order M-14. (See ¶ Vf·2,406)

* For tungsten *other* than tungsten *steel,* which is treated here, see ¶s Vf·2,600 et seq.

The mandate of the order is addressed to both producers and their customers requiring that customers shall not place and that producers shall not accept orders for Class B high-speed steel if Class A high-speed steel would reasonably fulfill the customer's requirements; and in no event may a customer place or a producer accept orders for Class B steel which will exceed in the aggregate, by weight, the quantity of Class A steel ordered by such customer from the same producer during the same quarter.

Vf·2,403. Records and reports. Attention is further directed to paragraph (e) of the order which provides for the maintenance of records and furnishing of reports by persons affected by this order, to the Division of Priorities on such forms and in such particularity as it may, from time to time, prescribe. It is expected that regular reports will not be required to be filed by customers. Producers must file their first report (covering the quarter ending August 31, 1941) not later than September 5, 1941 and a similar report within five days from the last day of each succeeding quarter. Forms for all reports will be prescribed by the Division of Priorities and made available to the persons affected and no reports are to be filed until such forms have been prescribed.

Observation: Observe that "quarter" as used in the order does not mean the regular calendar quarter, but means successive three-month periods, the first of which begins on June 1, 1941.

Vf·2,404. Provision for adjustments. The Director of Priorities realizes that in order to make the provisions of this order effective and to apply such provisions equitably, adjustments of orders and deliveries will have to be made from time to time and for this reason, paragraph (g) of the order specifically authorizes the Director to make such adjustments. Paragraph (j) permits an appeal to the Division of Priorities in the event of undue hardship resulting from compliance with the provisions of General Preference Order M-14.

Vf·2,405. General Preference Order M-14 provides for substitution of tungsten steel by molybdenum steel. General Preference Order No. M-14 which was issued to all producers of high-speed steel and their customers for such steel is the first order in which substitution has specifically been required in order to conserve the supply of critical material. It is stipulated in the order that a customer for high-speed steel may not purchase the tungsten-type steel if the molybdenum-type would serve as well. It is also provided that, during any three-month period, a customer for high-speed steel may purchase the tungsten steel only to the extent that he buys an equal amount of the molybdenum steel which contains less tungsten.

Illustration: If a customer wants 50 pounds of high-speed tool steel, for example, the order will require him, in effect, to order 25 pounds of the molybdenum-type steel in order to get 25 pounds of the steel with higher tungsten content.

Vf·2,406. Text of General Preference Order No. M-14 directing the distribution and use of tungsten in high-speed steel. The following is the text of General Preference Order No. M-14, relating to the conservation and distribution of tungsten in high-speed steel, issued June 11, 1941:

Copyright, October 17, 1941, The Research Institute of America, Inc.

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 939—HIGH-SPEED STEEL

General Preference Order M-14

To Conserve the Supply and Direct the Distribution and Use of Tungsten in High-Speed Steel

WHEREAS, it is found that there exists a definite shortage of tungsten in all forms which may increase in the future by reason of the fact that the present and future domestic supply and probable future imports are now and will be insufficient for all defense and civilian needs; and it is found that the major portion of the supply of tungsten in all forms is consumed in the manufacture of high-speed steel, as hereinafter defined; and it is further found that such shortage of tungsten in all forms will prevent the obtaining of priority for deliveries of that material for the manufacture of high-speed steel which is to enter into present and future Naval and Army contracts and orders and related subcontracts and suborders unless the total present and future supply of such tungsten be conserved and the use and distribution thereof for manufacturing high-speed steel be directed;

NOW, THEREFORE, IT IS HEREBY ORDERED:

939.1 *GENERAL PREFERENCE ORDER*—(a) *Definitions.* For the purposes of this Order:

(1) The term "high-speed steel" as herein used is defined as including two classes of alloy steels:

(i) "Class A high-speed steel" is hereby defined as either alloy steel containing not less than .60% carbon and containing more than 3.0% molybdenum, or alloy steel containing not less than .60% carbon, containing 7.0% or less tungsten, and containing more than 3.0% molybdenum.

(ii) "Class B high-speed steel" is hereby defined as alloy steel containing not less than .55% carbon and containing more than 12.0% tungsten.

[NOTE: Other alloy materials may be present in the steels of either class, but steel not containing the substances named, in the amounts specified, shall not be considered high-speed steel.]

(2) The term "producer" is hereby defined as any person who melts or otherwise makes high-speed steel by the use of tungsten ore, ferro tungsten, or tungsten-bearing scrap.

(3) The term "quarter" is hereby defined as a period of three months beginning on the first day of a month in the calendar year and ending on the last day of the second succeeding month thereafter. For the purposes of this Order, the first quarter shall begin on June 1, 1941, the second quarter on September 1, 1941, and so on thereafter.

(4) The term "person" as used in this Order means any individual, firm, or corporation.

(5) "Defense Orders" mean all contracts or orders for high-speed steel entering directly or indirectly at any stage of production into deliveries for:

(i) the Army or Navy of the United States, or

(ii) the defense of Great Britain, or

(iii) the government of any other country whose defense the President deems vital to the defense of the United States under "An Act to Promote the Defense of the United States" (Public No. 11, 77th Congress, First Session, approved March 11, 1941).

(b) *Orders.* No customer of a producer shall place an order with such producer for Class B high-speed steel if Class A high-speed steel would reasonably fulfill his requirements; and no producer shall accept such an order for Class B high-speed steel when he knows or has reason to believe that Class A high-speed steel would reasonably fulfill the customer's requirements. In no event shall any customer place or any producer accept orders for Class B high-speed steel which will exceed, in the aggregate, by weight, the quantities of Class A high-speed steel ordered by such customer from the same producer during the same quarter. Customers' orders for high-speed steel which are to be filled in whole or in part by the use of material, including tungsten ore, ferro tungsten, and tungsten-bearing scrap, furnished by such customers shall be subject to all the restrictions and provisions of this Order. No customer shall request cancellation of any order for Class A high-speed steel placed on or after June 1, 1941, unless such customer shall also request cancellation of an order or orders for an equal quantity, by weight, of Class B high-speed steel placed with the same or some other producer during the same quarter.

(c) *Deliveries.* With respect to orders placed on and after June 1, 1941, no customer shall accept deliveries of Class B high-speed steel which will exceed in the aggregate, by weight, the aggregate of deliveries of Class A high-speed steel made to him by producers pursuant to orders placed by such customer during the same quarter. In addition to the foregoing limitations, no producer shall hereafter knowingly deliver high-speed steel to any customer, and no customer shall accept delivery of high-speed steel in an amount which will increase, for any calendar month, the customer's inventory of such material in the same or other forms, in excess of the quantity necessary to meet required deliveries of such customer's products, on the basis of his usual method and rate of operation.

(d) *Transactions With Affiliates and Subsidiaries.* The provisions of this Order shall apply to:

(1) Transactions in high-speed steel between a producer thereof and third persons, including affiliates, subsidiaries, and agents of such producer.

(2) Transactions between the producing branch, division, or section of a single business enterprise and another branch, division, or section of the same or any other business enterprise owned or controlled by the same person.

(e) *Information.* All producers and customers affected by this Order shall keep accurate records of their transactions in the materials covered by this Order, including: the names and addresses of the persons involved; the dates of placing or receiving orders for such material; the delivery dates specified in such orders; the dates of actual deliveries; a description of the materials covered by such orders and deliveries by classes, types, quantities, and weights; and the preference ratings, if any, assigned to orders for such materials. Such producers and customers shall submit, upon request, such records to audit and inspection by duly authorized representatives of the Division of Priorities and shall execute and file with it, under oath, such information with respect to all or any part of the foregoing as it may request. No reports or questionnaires are to be filed by any customer until forms therefor are prescribed by the Division of Priorities.

(f) *Producers' Reports.* All producers shall, on or before September 5, 1941, and thereafter within five (5) days after the last day of each succeeding quarter, furnish to the Division of Priorities, on a Form or Forms which will be hereafter prescribed, the information called for by such Form or Forms.

(g) *Adjustments.* In order to effect such adjustments as the Director of Priorities may deem proper between the quantities, by weight, of Class A and Class B high-speed steel on order with producers or in the hands of their customers, the Director of Priorities may, from time to time, issue specific directions to producers and their customers, or any of them, with respect to the placing and acceptance of orders for such high-speed steel and the deliveries thereof which may be made pursuant to such orders.

(h) *Notification of Customers.* Producers shall, as soon as practicable, notify each of their regular customers of the requirements of this Order, but the failure to receive such notice shall not excuse any customer from the obligation of complying with the terms of this Order.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(i) *Effect of Misstatements.* Any persons who, by means of a wilful and material false statement, obtains high-speed steel contrary to the provisions of this Order, may be prohibited by the Director of Priorities from obtaining further deliveries of high-speed steel from any source.

(j) *Appeal.* Any producer or customer of a producer who considers that compliance with the provisions of this Order works an unreasonable hardship upon him may appeal to the Division of Priorities by addressing a letter to Ernest M. Hopkins, Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C., setting forth all pertinent facts and the reasons why such producer or customer considers that he is entitled to relief.

(k) *Allocations.* Any allocations of Class B high-speed steel by the Director of Priorities will be made in the following order of preference:

(1) For delivery under Defense Orders or other orders which the Director deems necessary or appropriate to promote the defense of the United States.

(2) For delivery under civilian orders not covered under sub-paragraph (1), above; insofar as the Director of Priorities shall make allocations among competing civilian demands under this sub-paragraph (2), the Director will be guided by such civilian allocation program for Class A high-speed steel as may be issued by the Office of Price Administration and Civilian Supply.

(l) *Effective Dates.* This Order shall take effect on the 11th day of June, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of November, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; sec. 2(a), Public No. 671, 76th Congress)

Issued this 11th day of June, 1941.

E. R. STETTINIUS, JR.
Director of Priorities.

Vf·2,407. Form PD-101—quarterly report of high-speed steel orders and shipments. The following is the text of Form PD-101 which is used for quarterly reports of high speed steel orders and shipments:

FORM PD-101—QUARTERLY REPORT OF HIGH-SPEED STEEL ORDERS AND SHIPMENTS

Report of High-speed Steel Orders and Shipments
Pursuant to General Preference Order M-14

Name of Producer .....

Location of Plant(s) .....

Quarter Ending .....

Section I. *Summary of Regular Orders Booked during Quarter.* Each reporting producer, under the Order, must be prepared to demonstrate that individual customers have complied with the Order. On this report, however, regular orders placed by all customers are to be summarized in two groups. Special orders placed by customers, who have received exemptions granted by the Office of Production Management, are to be listed *separately* in Section II below; however, their ordinary purchases on the 50-50 basis should be included in the totals under A or B in this Section.

A. Makes one entry for all customers who have ordered more than 250 pounds of Class A and Class B steel combined, during the quarter. *Enter all figures in pounds.*

ORDERS BOOKED			ORDERS CANCELLED, IF ANY		
Total Weight	Weight Class A	Weight Class B	Total Weight	Weight Class A	Weight Class B
.....	.....	.....	.....	.....	.....

B. Make one entry for all customers who have ordered less than 250 pounds of Class A and Class B steel combined, during the quarter:

ORDERS BOOKED			ORDERS CANCELLED, IF ANY		
Total Weight	Weight Class A	Weight Class B	Total Weight	Weight Class A	Weight Class B
.....	.....	.....	.....	.....	.....

Section II. *Orders placed Under Exemptions.* List all orders placed by customers who have presented photostatic copies of letters granting them exemption, by the Office of Production Management, (catalogue numbers or names of the steel ordered may be used, here and in Section III, if your latest catalogue is on file in the Office of Production Management). Orders listed here should *not* be included in Section I. Use additional sheet if necessary.

	Customer's Name & Address	Name or Catalogue Number of Steel Ordered	Weight (pounds)	Approximate Composition
1.				
2.				
3.				

Section III. *Summary of All Orders Booked, and Shipments.* List below the various types of high-speed steel, by trade name or catalogue number, which have been ordered during the quarter, with the total weight and approximate composition of each type. Show actual orders and shipments of each type, *regardless* of whether the shipments were made on orders placed before June 1st, 1941 or placed after that date, or whether they were orders placed under exemptions. This summary should thus be *complete,* for *all* your shipments of high-speed steel as defined in Order M-14.

	Type of Steel ·Name or Number	Approximate Composition	Weight Ordered during Quarter (pounds)	Actual Shipments during Quarter (pounds)
1.	.....	.....	.....	.....
2.	.....	.....	.....	.....
3.	.....	.....	.....	.....
		Total.....	.....	.....

Section IV. Future schedule of shipments: Enter below your presently scheduled shipments of all types of high-speed steel during the coming quarter.

For the next quarter, ending ....., our presently scheduled shipments will be approximately ..... lbs. of all types of high-speed steel. Of this total, approximately ..... lbs. will be Class A, and approximately ..... lbs. Class B.

CERTIFICATION

The undersigned hereby certifies that he is authorized to execute this report on behalf of the reporting companies, and that the facts herein set forth, or appended, are true and correct to the best of his knowledge and belief.

.... By.....

Date — Legal Name of Reporting Company — Signature of Official and Title

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80 makes it a criminal offense to make a false statement or representation in any matter within the jurisdiction of any department or agency of the United States.

Vf·2,408. Amendment No. 2 to M-14 corrects molybdenum-tungsten ratio. An amendment to General Preference Order M-14, correcting an error, was issued December 31, 1941. A recent amendment to M-14 provided that the

Copyright, January 9, 1942, The Research Institute of America, Inc.

ratio of use of molybdenum alloy steel to tungsten alloy is 75% to 25%. It was intended that the cancellation of existing orders in accord with the regulations be in the same ratio. The amendment stated, instead, that the cancellation for tungsten type steel should be three times that of molybdenum. The second amendment issued December 31, 1941 corrects that error.

Vf·2,409. Amendment No. 2 to General Preference Order M-14

(a) Paragraph (b) of Section 939.1 (General Preference Order M-14) is hereby amended to read as follows:

"(b) *Orders.* No customer of a producer shall place an order with such producer for Class B high-speed steel if Class A high-speed steel would reasonably fulfill his requirements; and no producer shall accept such an order for Class B high-speed steel when he knows or has reason to believe that Class A high-speed steel would reasonably fulfill the customer's requirements. For the period October 28, 1941 to February 1, 1942, and for each quarterly period thereafter, no customer shall place and no producer shall accept orders for Class B high-speed steel which will exceed, in the aggregate, by weight, one-third of the quantities of Class A high-speed steel ordered by such customer from the same producer during the same period. Customer's orders for high-speed steel which are to be filled in whole or in part by the use of material, including tungsten ore, ferro tungsten, and tungsten-bearing scrap, furnished by such customers shall be subject to all the restrictions and provisions of this Order. With respect to orders placed on or after October 28, 1941, no customer shall request cancellation, during the period October 28, 1941 to February 1, 1942, or during any quarterly period thereafter, of any order for Class A high-speed steel, unless such customer shall also request cancellation of an order or orders for one-third of such quantity, by weight, of Class B high-speed steel placed with the same or some other producer during the same period."

(b) This amendment shall take effect immediately.

Issued this 31st day of December, 1941. *Director of Priorities.*

Vf·2,410. Amendment and Extension No. 1 extends Order M-14 and further restricts tungsten. An amendment to General Preference Order M-14 designed to conserve tungsten was announced by the Division of Priorities on November 29, 1941. The order provides that 75% of all high-speed steel orders accepted in any one quarter shall be of the molybdenum type and not more than 25% of the tungsten type. The previous ratio was 50:50. The amendment extends the order until December 31, 1942. The following is the text of the amendment:

Amendment No. 1 and Extension No. 1 of General Preference Order M-14

Whereas, the shortage of tungsten for defense, for private account and for export has become more stringent since the issuance of General Preference Order M-14,

Now, therefore, it is hereby ordered:

(a) Paragraph (a)(3), (a)(4), and (a)(5) of General Preference Order M-14 (939.1) are hereby revoked.

(b) Paragraph (b) of General Preference Order M-14 (939.1) is hereby amended to read as follows:

"(b) *Orders.* No customer of a producer shall place an order with such producer for Class B high-speed steel if Class A high-speed steel would reasonably fulfill his requirements; and no producer shall accept such an order for Class B high-speed steel when he knows or has reason to believe that Class A high-speed steel would reasonably fulfill the customer's requirements. For the period October 28, 1941 to February 1, 1942, and for each quarterly period thereafter, no customer shall place and no producer shall accept orders for Class B high-speed steel which will exceed, in the aggregate, by weight, one-third of the quantities of Class A high-speed steel ordered by such customer from the same producer during the same period. Customers' orders for high-speed steel which are to be filled in whole or in

part by the use of material, including tungsten ore, ferro tungsten, and tungsten-bearing scrap, furnished by such customers shall be subject to all the restrictions and provisions of this Order. With respect to orders placed on or after October 28, 1941, no customer shall request cancellation, during the period October 28, 1941 to February 1, 1942, or during any quarterly period thereafter, of any order for Class A high-speed steel, unless such customer shall also request cancellation of an order or orders for three times such quantity, by weight, of Class B high-speed steel placed with the same or some other producer during the same period."

(c) Paragraph (c) of General Preference Order M-14 (939.1) is hereby amended to read as follows:

"(c) *Deliveries.* With respect to orders placed on and after October 28, 1941, no customer shall accept, during the period October 28, 1941 to February 1, 1942, or during any quarterly period thereafter, deliveries of Class B high-speed steel which will exceed in the aggregate, by weight, one-third of the aggregate of deliveries of Class A high-speed steel made to him by producers pursuant to orders placed by such customer during the same period, and no producer shall knowingly make such deliveries. In addition to the foregoing limitations, no producer shall hereafter knowingly deliver high-speed steel to any customer, and no customer shall accept delivery of high-speed steel in an amount which will increase, for any calendar month, the customer's inventory of such material in the same or other forms, in excess of the quantity necessary to meet required deliveries of such customer's products, on the basis of his usual method and rate of operation."

(d) Paragraph (j) of General Preference Order M-14 (939.1) is hereby amended to read as follows:

"(j) *Appeal.* Any person who considers that he is adversely affected by any provision or application of this order may apply for relief to the Director of Priorities. The Director of Priorities may thereupon take such action as he deems appropriate."

(e) Paragraph (k) of General Preference Order M-14 (939.1) is hereby revoked, and the following is hereby adopted as paragraph (k) of such Order:

"(k) *Regulations Incorporated.* Except as modified by the terms of this Order and as otherwise specifically provided herein, all the provisions and definitions of Priorities Regulation No. 1, issued August 27, 1941, by the Director of Priorities, as amended from time to time, are hereby included as a part of this Order with the same effect as if specifically set forth herein."

(f) General Preference Order M-14 (939.1), as amended, is hereby extended, to expire December 31, 1942.

(g) This amendment and extension shall take effect immediately.

Issued this 29th day of November, 1941. D. M. NELSON, *Dir. of Priorities.*

Copyright, February 6, 1942, The Research Institute of America, Inc.

Calcium-Silicon—Allocation

Vf·2,500. Importance of calcium-silicon. Calcium-silicon is a commercial product used in the treatment and refining of steel for bearings, tool steel and stainless steel. Calcium-silicon is of vital defense importance, as steel treated with this compound has qualities which cannot be achieved with any other substance. Calcium-silicon, used as a final alloy addition to steel, produces a clean, coarse-grained steel with deep-hardening properties. It is used to deoxidize all types of stainless steel, high-speed tool steels, and special steels subject to transverse testing. Monthly production of calcium-silicon is considered insufficient for present defense and civilian needs; therefore, a preference rating system for calcium-silicon is of utmost urgency.

Vf·2,501. Preference rating system for calcium-silicon. On July 29, 1941, a priority system for calcium-silicon was established by Preference Rating Order M-20. This order, due to expire November 30, 1941, was slightly revised and extended to May 31, 1942, by the Director of Priorities. The revised order has the symbol M-20-a and was issued November 29, 1941. The method of control established by General Preference Order M-20-a does not differ in substance from the method under which producers and consumers were operating pursuant to General Preference Order M-20. As in the case of the previous order, calcium-silicon may be delivered or acquired only upon the express authorization of the Director of Priorities, and from time to time the Director will allocate the supply and specifically direct the quantities and manner in which deliveries may be made and acquired. Unless the Director otherwise orders, any person who desires an allocation of calcium-silicon to be made to him must file the form of report prescribed by OPM not later than the 25th of the month next preceding the month in which delivery is to be made. All the provisions and definitions of Priorities Regulation No. 1 are specifically incorporated by reference as a part of the order. The following is the text of the order:

General Preference Order M-20-a

Whereas, the national defense requirements have created a shortage of Calcium-Silicon, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to extend and supplement by further measures the action heretofore taken to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered that:

961.2 General Preference Order. (a) *Definition.* For the purposes of this order:

(1) "Calcium-Silicon" means that commercial product made in an electric furnace and used in the treatment and refining of certain steels, containing calcium and silicon in approximately the following proportions:

Calcium from 28% to 35% Silicon from 60% to 65%

(b) *Regulations Incorporated.* Except as modified by the terms of this order and as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this order with the same effect as if specifically set forth herein.

(c) *Assignment of Preference Rating.* Deliveries of calcium-silicon under all defense orders (as defined in Regulation No. 1) to which a preference rating of A-10 or higher has not been assigned are hereby assigned a preference rating of A-10.

(d) *Restrictions on Deliveries.*

(1) *Allocations.* Hereafter no person shall make or accept any delivery of calcium-silicon unless specifically authorized by the Director of Priorities. The Director will from time to time allocate the supply of calcium-silicon, and specifically direct the quantities and manner in which deliveries thereof to particular persons or for particular uses shall be made or withheld. Such directions will be made primarily to insure the satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor, and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian requirements.

(2) *Reports.* Unless otherwise ordered by the Director of Priorities, no person shall be entitled to receive an allocation of calcium-silicon unless, not later than the 25th day of the month next preceding the month in which such person desires delivery to be made, he shall have filed in duplicate (one copy with the supplier with whom his purchase order has been placed, and one copy with the Office of Production Management) a certified report on Form PD-72 or such other form as may be from time to time prescribed by the Office of Production Management, setting forth the information specified on such form.

(e) *Violations.* Any person affected by this order, who violates any of its provisions, or a provision of any other order, direction or regulation issued by the Director of Priorities, may be prohibited by the Director from making or receiving further deliveries of calcium-silicon, or of any other material subject to allocation, or he may be subjected to any other or further action as the Director may deem appropriate.

(f) *Revocation of General Preference Order M-20.* General Preference Order M-20, issued by the Director of Priorities July 29, 1941, is hereby revoked.

(g) *Effective Dates.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of May, 1942.

Issued this 29th day of November, 1941.

.....
D. M. NELSON, *Director of Priorities.*

All reports to be filed, appeals and other communications concerning this order, should be addressed to the Office of Production Management, Washington, D. C. Reference: M-20-a.

Vf·2,502. Report Form PD-72 for Calcium-Silicon. The following is the text of Report Form PD-72 for Calcium-Silicon:

PD-72

Requirements of Calcium-Silicon for Month of September

I. Steel to be melted during the Month, for which we require Calcium-Silicon:

Types of Steel Melted*	Tons	Calcium-Silicon to be Used	Ultimate Consumption of the Types of Steel Melted	Preference Rating**
1.	.....	..... lbs.	.....	.....
2.	.....	..... lbs.	.....	.....
3.	.....	..... lbs.	.....	.....
4.	.....	..... lbs.	.....	.....
5.	.....	..... lbs.	.....	.....
6.	.....	..... lbs.	.....	.....
7.	.....	..... lbs.	.....	.....
8.	.....	..... lbs.	.....	.....
9.	.....	..... lbs.	.....	.....
10.	.....	..... lbs.	.....	.....
Total	.....	..... lbs.	.....	

Copyright, December 15, 1941, The Research Institute of America, Inc.

II. Explanation of the A-10 Assigned to Types of Steel Indicated Above:

1. ..... 3. .....
2. ..... 4. .....

III. We believe that Calcium-Silicon must be used in the types of steel indicated above for the following reasons in each case:

1. .....
2. .....
3. .....
4. .....
5. .....
6. .....
7. .....
8. .....
9. .....
10. .....

IV. Our estimated inventory as of the last day of August:.....

State of .....}
County of .....} ss.

The undersigned being duly sworn deposes and says that: (1) he executed the foregoing instrument on behalf of and by authority of.....
(Name of Company)

(2) the facts stated herein are, to the best of his knowledge and belief, true and correct.

.....
(Signature of Authorized Official)

.....
(Title)

Sworn to before me this ..... day of ....., 194... .....
(Notary Public)

My commission expires:

* If stainless steels are made, classify as chrome-nickel steels, straight chrome steels, 4% to 9% chrome-molybdenum steels, or other stainless steels.

** Use three ratings only—"A-1 to A-9," "A-10," "B."

Tungsten—Allocation*

Vf·2,600. Importance of tungsten. Tungsten is an element required to give alloy steels high tension characteristics. In industry it is widely used for high-speed tool steel, lamp filaments, non-ferrous alloys, electric contacts and electrodes, and also in the chemical industry for various uses. In the form of tungsten carbide it has still further uses. A strictly direct military use is as an alloy in *armor piercing bullet cores.* The United States produces some of its tungsten requirements. Molybdenum serves as a substitute in some uses including high-speed tool steel. Normal annual consumption is estimated to be between 4,500 and 5,000 short tons of concentrates (60% WO_3). The United States is the second largest world producer, domestic output being now the highest of record. China and Burma normally produce most of the world's tungsten ore. Other important foreign producers are Bolivia, Portugal, Malay States and Australia. The unsettled conditions in China, the danger of hostilities in the China Sea between Japan and a western power together with the vastly increased use of tungsten for defense needs make it imperative to establish a priority system for tungsten and its alloys.

Vf·2,601. Mandatory priorities on tungsten compounds. After first asking that defense orders for tungsten tool steel be filled ahead of non-defense requirements, the Division of Priorities on March 26, 1941, by General Preference Order No. M-3, placed all producers of ferro-tungsten, tungsten metal powder and tungsten compounds under a general priorities system similar to that previously imposed on aluminum and magnesium. Producers are required to give all defense orders, including British defense orders, a rating of A-10, unless higher ratings are assigned. The A-10 rating has the effect of putting all defense needs ahead of civilian needs, except as otherwise provided by the Priorities Division.

A supplementary order, accompanying the general preference order setting up the priorities system, provides a schedule of preference ratings, ranging from A-1 to A-10, inclusive, for defense orders and any other orders for which Class A ratings may be assigned by the Director of Priorities. B-1 is assigned to "customers' orders whose products currently are used in connection with the manufacture of defense orders, directly or indirectly, in substantial quantity although not bearing a specific preference rating."

observation: Though the general preference order stipulates that no deliveries shall be made by the producers, other than in cases of defense orders, except by release in accordance with the assignment of preference ratings or by other specific order, it has nevertheless been provided that non-defense orders may be filled on a temporary basis after orders in the A and B-1 classes have filled.

recommendation: The Priorities Division is urging producers to encourage their customers to use substitutes for tungsten whenever possible. This is a genuine

* These paragraphs refer to ferro-tungsten, tungsten metal powder and tungsten powder. For tungsten *steel* and other high-speed steels see ¶s Vf·2,400 et seq.

service that producers can render to customers whose orders they cannot fill but whose good will they wish to retain for the future. The use of substitutes is generally more costly or more inconvenient to handle than the original article and customers will be glad to revert to the original article whenever it becomes possible. Meanwhile, by helping their customers to solve the technical problems confronting them as a result of the emergency, producers will be able to retain the friendship of such customers.

Vf·2,602. Text of General Preference Order on tungsten. The following is the text of General Preference Order No. M-3 relating to ferro-tungsten, tungsten metal powder and tungsten compounds:

OFFICE OF PRODUCTION MANAGEMENT

Division of Priorities

No. M-3 March 26, 1941

GENERAL PREFERENCE ORDER

To Direct the Distribution of Ferro Tungsten, Tungsten Metal Powder, and Tungsten Compound

The following order is issued by the Director of Priorities in the interest of the National Defense and pursuant to the authority vested in him by the Office of Production Management Regulation No. 3, dated March 7, 1941, Executive Order No. 8629, dated January 7, 1941, and Section 2(a) of the Act of June 28, 1940 (Public No. 671, 76th Congress, Third Session):

Whereas it has been found that the demands of the national defense program create a shortage in the supply of ferro tungsten, tungsten metal powder and tungsten compounds, so that it is necessary, in the interest of national defense and security, to conserve the supply and to direct the distribution of ferro tungsten, tungsten metal powder and tungsten compounds, now therefore;

Deliveries by all producers of ferro tungsten, tungsten metal powder and tungsten compounds (hereinafter called "producers") shall be made in accordance with the following preference ratings and directions:

All contracts or orders placed with such producers for delivery of ferro tungsten, tungsten metal powder and tungsten compounds which is to enter directly or indirectly into the manufacture of any material for the Army or Navy (hereinafter called "Defense Orders") and which Defense Orders do not bear a higher preference rating, are hereby assigned a preference rating of A-10.

Contracts or orders placed with such producers for delivery of ferro tungsten, tungsten metal powder, and tungsten compounds which is to enter directly or indirectly into the manufacture of any material for the defense of Great Britain, including contracts or orders from other parts of the British Empire for that purpose, (hereinafter also called "Defense Orders"), unless otherwise specifically directed by the Director of Priorities, are hereby assigned the same preference rating status as that granted to contracts or orders for ferro tungsten, tungsten metal powder and tungsten compounds entering into similar or corresponding material for the Army or Navy; and all such contracts or orders which are not thus assigned a higher preference rating (or which have not now or hereafter otherwise received such higher preference rating), are hereby assigned a preference rating of A-10.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Preference ratings will, from time to time, be assigned deliveries under contracts or orders other than Defense Orders by the Director of Priorities. No deliveries shall be made under any contracts or orders other than Defense Orders except by release pursuant to the assignment of preference ratings or by other specific order.

The sequence of deliveries under contracts or orders bearing the same preference rating shall be based on the delivery dates specified in such contracts or orders.

Where there is doubt as to whether a particular contract or order constitutes a Defense Order, the matter shall be referred to the Division of Priorities with all known facts for its determination.

All such producers shall maintain accurate records and information concerning inventories and stocks on hand, and concerning all contracts and orders placed with them, including the name and address of each customer and the kinds, quantities and value of material and applicable delivery schedules, the preference ratings assigned to such contracts and orders, and the dates of all actual deliveries thereunder; shall furnish to the Priorities Division, Office of Production Management, Washington, D. C., fifteen days before the end of each month, any such information which it may request; and shall submit from time to time, upon request, to an audit and inspection by representatives of the Priorities Division with respect to such contracts and orders, prospective and past deliveries, and inventories and stocks on hand.

This order supersedes and cancels all previous general orders and directions of the Director of Priorities, or of the Priorities Division, of the Office of Production Management applicable to such producers, and may be modified or terminated by the Director of Priorities at any time. This order shall take effect on the 26th day of March, 1941, and unless previously terminated shall expire on the 30th day of June, 1941.

E. R. STETTINIUS, JR.
Director of Priorities

Vf·2,603. Preference rating schedule on tungsten. The following is the text of Supplementary Order No. M-3-a, which sets forth the preference rating schedule on ferro-tungsten, tungsten metal powder and tungsten compounds:

OFFICE OF PRODUCTION MANAGEMENT
Division of Priorities

No. M-3-a **March 26, 1941**

SUPPLEMENTARY ORDER

Preference Rating Schedule

(Ferro Tungsten, Tungsten Metal Powder, Tungsten Compounds)

This Schedule is issued pursuant to General Preference Order M-3. Until further notice all producers of Ferro Tungsten, Tungsten Metal Powder, and Tungsten Compounds, shall make deliveries of Ferro Tungsten, Tungsten Metal Powder, and Tungsten Compounds according to the following schedule of preference ratings:

Preference Rating

A Preference ratings A-1 to A-10 inclusive shall be given to Defense Orders as defined in General Preference Order No. M-3, and to all other orders to which an A preference rating has been now or may hereafter be assigned by the Director of Priorities.

B-1 Preference rating B-1 is hereby assigned to customers' orders whose products currently are used in connection with the manufacture of Defense Orders, directly or indirectly, in substantial quantity although not bearing a specific preference rating.

All other orders may be filled after fulfillment of those specified above until further order of the Director of Priorities as hereinafter provided.

General Provisions

1. This preference rating schedule is temporary, pending receipt of information called for by the attached form and pending analysis and investigation of the customers, their products, and the uses thereof.

2. Not later than April 2, 1941, all producers of Ferro Tungsten, Tungsten Metal Powder and Tungsten Compounds shall submit to the Director of Priorities of the Office of Production Management, Washington, D. C., a list of all of their customers who shall have received deliveries of over 100 pounds during the months of January, February or March, 1941, and all customers requesting deliveries of over 100 pounds during April, 1941, with the quantities delivered or requested for each month and the proposed deliveries for the month of April, and the producers' estimate of the percentage of deliveries which will enter into Defense Orders or be used in connection with the manufacture of Defense Orders, directly or indirectly. Such information should be furnished, tabulated and arranged in accordance with the model form attached hereto.

3. Customers of such producers should be encouraged to use substitutes for non-defense uses for Ferro Tungsten, Tungsten Metal Powder and Tungsten Compounds.

4. Deliveries of each producer during each month shall be made in the order of preference ratings assigned thereto by specific preference rating certificates or orders issued by the Director of Priorities or assigned by the foregoing preference rating schedule. If the supply of Ferro Tungsten, Tungsten Metal Powder or Tungsten Compounds available for delivery during any such month is insufficient to cover all of the above preference ratings, the Director of Priorities may issue supplementary instructions for the allocation of a portion of the available supply to lower rating groups.

5. No delivery to any customer, during any month, shall be made except upon proof that such delivery, when added to the inventory (if any) which such customer has on hand, will not exceed his requirements for such month.

This Supplementary Order shall take effect on the 26th day of March, 1941.

E. R. STETTINIUS, Jr.
Director of Priorities

Vf·2,604. Form PD-9 for requests for tungsten. On the next page is Form PD-9 which is used as a request for ferro tungsten, tungsten metal, powder or tungsten compounds. The first copy of this form (white) is to be sent to the producers, the second copy (yellow) is to be sent to the Division of Priorities, and the third copy (blue) is to be retained by the purchaser.

Vf·2,605. Preference Orders M-3 and M-3-a extended to August 31, 1941. E. R. Stettinius, Jr., Director of Priorities, announced on June 20, 1941, that priority control over ferro-tungsten, tungsten metal powder and tungsten compounds, originally imposed on March 26, is being extended to August 31, 1941. The original orders, M-3 and M-3-a, were scheduled to expire on June 30, 1941.

Copyright, October 17, 1941, The Research Institute of America, Inc.

PD-9
(Revised 10/1/41)

OFFICE OF PRODUCTION MANAGEMENT
DIVISION OF PRIORITIES
WASHINGTON, D. C.

Application for Allocation for Tungsten as defined in Order M-29 for month of _____

Execute this form in triplicate. Forward two copies to the Division of Priorities, Washington, D. C. One copy will be returned by the Division of Priorities to the company to whom this request is directed, indicating quantity approved for shipment. Execute separate forms for each company to whom a request is directed. This application is to be filed on the tenth day preceding the first day of the month for which application is filed.

Name of Applicant

Address

I. a. Name of Company to whom request is directed _____
b. Material requested _____

QUESTIONS II, III AND IV REFER TO THE MONTH PRECEDING THE MONTH FOR WHICH THIS APPLICATION IS FILED. MAKE ESTIMATES AS OF THE LAST DAY OF THE MONTH WHEREVER NECESSARY.

II. Report of Inventory and Consumption of Tungsten. (Show amounts in pounds)

Raw Materials	Inventory Beginning of Month		Received During Month		Consumed During Month		Inventory End of Month	
	Gross	Contained Tungsten	Gross	Contained Tungsten	Gross	Contained Tungsten	Gross	Contained Tungsten
1. Ferro Tungsten								
2. Tungsten Ore and Concentrate								
3. Tungsten Bearing Scrap a. Own plant								
b. Purchased								
4. Metal Powder								
5. Tungsten Chemical Compounds								

III. Indicate the gross weight and estimated contained Tungsten inventory for finished, semi-finished or in-process STEEL, gross weight_____lbs., contained Tungsten _____lbs.

IV. Describe below the inventories of all finished products OTHER THAN STEEL containing Tungsten.

Description	Gross Weight (pounds)	Contained Tungsten (pounds)
1.		
2.		
3.		
4.		

QUESTIONS V, VI, VII AND VIII REFER TO THE MONTH FOR WHICH THIS APPLICATION IS BEING FILED.

V. Proposed consumption of tungsten in all forms of STEEL products. (Note: After the two categories of high-speed steel enter other types you make, such as "hot work steels", "die steels", etc.)

Type of Steel	Net Tons to be melted	Contained Tungsten (pounds)	Ultimate Use	% of melt covered by "A" preference ratings
1. Class A high-speed				
2. Class B high-speed				
3.				
4.				
5.				
6.				
Totals				

VI. Proposed consumption of Tungsten in all products OTHER THAN STEEL.

Description of Product	Scheduled Production (pounds)	Contained Tungsten (pounds)	Ultimate Use	% covered by "A" preference ratings
1.				
2.				
3.				
4.				
5.				
6.				
Totals				

(The next page is 52,656.1)

Copyright. November 22, 1941, The Research Institute of America, Inc.

VII. Tungsten available and net requirements of additional supplies. (State in pounds of contained tungsten)

	Ore & Concentrates	Purchased Scrap	Revert Scrap	Ferro Tungsten	Chemical Compounds	Metal Powder
1. Inventory*						
2. To be received during month	XXXXXX			XXXXX	XXXXX	
3. Totals 1 & 2						
4. Required from company named in question No. I above		XXXXXXX	XXXX			
Do not execute						
5. Quantity approved	XXXXXXX	XXXXXXX	XXXX			

*Your estimate of the amount which can be used without depleting your minimum working nventory.

VIII. Estimated net requirements of contained Tungsten from the company listed in answer to question No. I for the three months following the month for which this application is filed.

First_____lbs. Second_____lbs. Third_____lbs.

CERTIFICATE

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) he executed the foregoing report on behalf of and by authority of the above-named applicant;

(2) the facts stated above are, to the best of his knowledge and belief, true and correct;

(3) the estimates of requirements of contained tungsten have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner;

(4) that none of the contained tungsten, delivery of which will be secured by application of General Preference Rating Order No. M-29 will be diverted to uses other than prescribed by the order.

(Date) (Signature of Authorized Official) (Title)

(Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

Authorization

The Division of Priorities of the Office of Production Management, hereby allocates for the month specified, in amounts as designated in statement No. VII, line 5 and authorizes the delivery of such materials pursuant to General Preference Order M-29.

Date..... .....
Branch Chief

.....
Priorities Specialist

.....
Director of Priorities

Copyright, November 22, 1941, The Research Institute of America, Inc.

Vf·2,606. Combined Civilian Allocation Program and revised priority system for tungsten established. A general preference order (M-29) and a Civilian Allocation Program regulating the distribution of tungsten—vitally needed for the manufacture of high-speed cutting tools used in defense plants—were issued August 29, 1941, by the Division of Priorities and the Division of Civilian Supply.

An order (M-3), covering some forms of tungsten was originally issued March 26, 1941. The new order, however, expands and strengthens the control and applies to tungsten in all forms—ores, concentrates, ferro-tungsten, tungsten metal powder, chemical compounds of tungsten and scrap of secondary material containing commercially recoverable tungsten.

Main changes made in the control include:

(1) Ores and concentrates, not covered in the previous order, are covered in the new regulation.

(2) Producers of tungsten in all forms are required to accept defense orders.

(3) An allocation system is set up to regulate distribution of ferro-tungsten, tungsten metal powder and tungsten chemicals going into metal powder.

(4) Processors of tungsten in chemical form, other than those forms going into tungsten metal powder, are generally limited in their processing or purchasing to 90% of amounts processed or purchased during the 12 months ending June 20, 1941. This is in accordance with the Civilian Allocation Program.

Because of the necessity for conserving the supply of tungsten, the new order contains restrictions against building up excessive inventories. It is provided that tungsten shall not be shipped to any person in amounts which would increase that person's inventory of tungsten to an unnecessary level.

Provisions in the order for direct allocation of tungsten materials apply only to ferro-tungsten, tungsten metal powder and tungsten chemical compounds to go into metal powder. The order provides that, beginning September 1, 1941, no person shall make delivery of these forms of tungsten without the specific authorization of the Director of Priorities. During each calendar month the Director will determine the allocation of available supplies among competing consumers.

observation: By its terms, General Preference Order M-29 revokes and supersedes General Preference Order M-3 and Supplementary Order M-3-a as of its effective date, and, accordingly, manufacturers will be hereafter governed as to their transactions in tungsten by the provisions of General Preference Order M-29 rather than by those of the previous orders.

observation: While the two earlier orders just mentioned covered only ferro-tungsten, tungsten metal powder, and tungsten chemical compounds, the broad definition of tungsten stated in General Preference Order M-29 includes the ores and concentrates. However, as some of the provisions of the order relate to tungsten in all forms and others only to ferro-tungsten, tungsten metal powder or tungsten chemical compounds, it will be necessary for manufacturers to read the order carefully in order to understand its application to a given transaction.

(The next page is 52,657)

Illustration: For example, subject to certain qualifications stated in the order, defense orders for tungsten in all forms must be accepted, and all customers desiring delivery of tungsten in any form must file with the person from whom it is ordered and with the Division of Priorities the prescribed form not later than the 20th day of the month next preceding the month in which delivery is specified. In addition to this limitation, deliveries of ferro-tungsten, tungsten metal powder, and tungsten chemical compounds to be processed into tungsten metal powder (ores and concentrates are not included) cannot be made after the effective date of this order without the express authority of the Director of Priorities. The Director will, during each month, allocate the entire supply of these materials, and direct the manner and quantities in which deliveries thereof may be made. Paragraph (b) (14) of the order limits the quantity of tungsten chemical compounds which may be purchased, or manufactured from ores and concentrates during any one month, for purposes other than for making tungsten metal powder.

Vf·2,607. Text of General Preference Order M-29 of August 30, 1941. Following is the text of General Preference Order M-29 which supplants previous orders M-3 and M-3-a for tungsten:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—Priorities Division

Part 923—Tungsten

General Preference Order M-29 to Conserve the Supply and Direct the Distribution of Tungsten

Whereas, the national defense requirements have created a shortage of tungsten, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered that:

Section 923.3 *General Preference Order*—(a) *Definitions.* For the purposes of this Order:

(1) "Tungsten" means and includes:

(i) Ores and concentrates, including beneficiated or treated forms, containing tungsten (commercially recognized).

(ii) The element tungsten in pure form, ferro-tungsten, tungsten in the form of metal powder, and other combinations with other elements in semi-manufactured or manufactured form, prepared for consumption in the manufacture of steel, or for other purposes.

(iii) All chemical compounds having tungsten as an essential and recognizable component;

(iv) All scrap or secondary material containing commercially recoverable tungsten as defined in (i) (ii), and (iii) above.

(2) The term "person" means any individual, partnership, association, corporation or other form of business enterprise.

(3) The term "producer" means any person who mines or otherwise produces natural materials containing recoverable quantities of tungsten.

(4) The term "processor" means any person who prepares ores, concentrates or any chemical or metallurgical forms of tungsten for any industrial use.

(5) The term "dealer" means any person who procures tungsten either by importing or from domestic sources for resale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(6) "Defense Order" means:

(i) Any contract or order for material or equipment to be delivered to, or for the account of:

(1) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Developments;

(2) The government of any of the following countries: The United Kingdom, Canada and other Dominions, Crown Colonies and Protectorates of the British Empire, Belgium, China, Greece, The Kingdom of the Netherlands, Norway, Poland, Russia and Yugoslavia.

(ii) Any contract or order placed by any agency of the United States Government for material or equipment to be delivered to, or for the account of, the government of any country listed above, or any country, including those in the Western Hemisphere, pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States." (Lend-Lease Act).

(iii) Any other contract or order to which the Director of Priorities assigns a preference rating of A-10 or higher.

(iv) Any contract or order for material or equipment required by the person placing the same to fulfill his contracts or orders on hand, provided such material or equipment is to be physically incorporate in material or equipment to be delivered under contracts or orders included under (i), (ii), or (iii) above.

(b) *Directions as to deliveries.* Deliveries of tungsten by any person shall be made only in accordance with the following directions:

(1) *A-10 Assigned to certain defense orders.* Deliveries under all Defense Orders to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

(2) *Sequence of preference ratings.* Preference ratings in order of precedence are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10, etc., AA being the highest rating presently assigned.

(3) *Doubtful cases.* Whenever there is doubt as to the preference rating applicable to any delivery, or as to whether a particular order is a Defense Order, the matter is to be referred to the Division of Priorities for determination, with a statement of all pertinent facts.

(4) *Sequence of deliveries.*

(i) Every delivery under a Defense Order shall be made in preference to deliveries under other orders whenever, and to the extent, necessary to fulfill the delivery schedule provided in the Preference Rating Certificate covering such delivery, or in the contract or purchase order if no Certificate has been issued. Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure those deliveries bearing higher preference ratings, even though such deferment may cause defaults under existing contracts or purchase orders. Each person who has Defense Orders on hand must so schedule his production and deliveries that deliveries under Defense Orders will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(ii) The sequence of deliveries bearing the same preference rating shall be governed by the delivery dates specified in the respective Preference Rating Certificates assigned thereto, or if the ratings were assigned by order or direction of the Director of Priorities, but no Certificates were issued, then by the dates specified in the contracts or purchase orders. In any case where preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the matter is to be referred to the Division of Priorities for determination.

(5) *Delivery schedules.* No earlier delivery date shall be specified in any Defense Order than required by the production or delivery schedules of the person placing the Defense Order. No preference rating will be assigned to any contract or purchase order specifying delivery dates earlier or quantities greater than required by the production or delivery schedules of the person placing the contract or purchase order.

(6) *Use of material obtained under allocation or preference rating.* Any person who obtains a delivery of tungsten under an order or specific direction of the Director of Priorities, or a delivery of such material bearing a preference rating, must use such material, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the order, direction, or rating.

(7) *Acceptance of Defense Orders.* Defense Orders for tungsten, whether or not accompanied by a Preference Rating Certificate, must be accepted and fulfilled in preference to any other contracts or purchase orders for such material, subject to the following provisions:

(i) Defense Orders shall be accepted even if acceptance will render impossible, or result in deferment of:

(A) Deliveries under non-defense orders previously accepted; or

(B) Deliveries under Defense Orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities.

(ii) Defense Orders need not be accepted:

(A) If delivery on schedule thereunder would be impossible by reason of the requirements of Defense Orders previously accepted bearing higher or equal preference ratings, unless acceptance is specifically directed by the Director of Priorities; or

(B) If the tungsten ordered is not of the kind usually produced or capable of being produced by the person to whom the Defense Order is offered; or

(C) If the person seeking to place the Defense Order is unwilling or unable to meet regularly established prices and terms of sale, but there shall be no discrimination against Defense Orders in establishing such prices or terms of sale; or

(D) If compliance with the delivery dates specified in such defense orders would require the termination or alteration before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated or altered without substantial loss to the producer or processor.

(8) *Rejected orders and deferred deliveries.* When a Defense Order for tungsten has been rejected or delivery thereunder has been unreasonably or improperly deferred in violation of this Order, the person seeking to place such order or obtain such delivery may file with the Division of Priorities a verified report in the form to be prescribed by the Division of Priorities, setting forth the facts in connection with the rejection or deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the person against whom complaint is made to submit a sworn statement, setting forth the circumstances concerning the alleged rejection or deferment. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.

(9) *Intra-Company Deliveries.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division, or section of a single business enterprise to another branch, division, or section of the same or any other business enterprise owned or controlled by the same person.

(10) *Effect of Order: Damages.* The prohibitions or restrictions in this order shall, in the absence of a contrary direction, apply to all deliveries made after the effective date of this order, including deliveries under contracts or purchase orders accepted either prior to or subsequent to such effective date. No person shall be held liable for damages or penalties for any default under any contract or purchase order which results directly or indirectly from his compliance with the terms of this order.

(11) *Inventory Restrictions.* Unless specifically authorized by the Director of Priorities, no person shall, after the effective date of this Order, knowingly make delivery of tungsten, and no person shall accept delivery thereof, in an amount, quantity, or number which will increase for any current month the inventory of such tungsten of the person accepting delivery, in the same or other forms, in excess of the amount, quantity, or number necessary to meet required deliveries of the products of the person accepting delivery, on the basis of his current method and rate of operation. This provision shall not prohibit or restrict:

(i) Deliveries for direct export out of the United States provided that such exports shall have been licensed by the Administrator of Export Control;

(ii) Deliveries of imported tungsten to any person importing the same, either directly or through an agent;

(iii) Deliveries of tungsten to the Metals Reserve Corporation.

(12) *Restrictions on Making and Accepting Deliveries.* Beginning September 1, 1941, no producer, processor or dealer shall make, and no person shall accept delivery of, tungsten unless the person seeking delivery shall have filed in duplicate (one copy with the person from whom the tungsten is ordered, and one copy with the Division of Priorities) not later than the 20th day of the month next preceding the month in which delivery is specified, Form PD-9, or such other form or forms as the Division of Priorities may from time to time prescribe. The Director of Priorities may in his discretion from time to time issue specific directions exempting particular customers or classes of customers from the provisions of this paragraph (b)(12) on the basis of the limited character of their requirements for tungsten.

(13) *Special Restrictions on Deliveries of Ferro-Tungsten, Tungsten Metal Powder, and Tungsten Chemical Compounds to be Processed into Tungsten Metal Powder.* In addition to all other limitations and restrictions contained in this order, beginning September 1, 1941, no person shall make or accept delivery of ferro-tungsten, tungsten metal power, or tungsten chemical compounds to be processed into tungsten metal powder without the specific authority of the Director of Priorities. During each calendar month, the Director of Priorities will at such time or times as he may determine allocate the supply of ferro-tungsten metal powder, and tungsten chemical compounds to be processed into tungsten metal powder, among persons seeking deliveries, and specifically direct the manner and quantities in which deliveries thereof may be made and accepted. In making any such allocations and directions, the Director of Priorities may take into consideration any person's stocks on hand and supply otherwise available to him, of tungsten ore, concentrates or scrap materials, as well as of ferro-tungsten and tungsten metal powder and tungsten chemical compounds. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made, in the discretion of the Director of Priorities, without regard to any preference rating assigned to particular contracts or purchase orders.

(14) *Limitations on Deliveries and Manufacture of Tungsten Chemical Compounds.* Beginning September 1, 1941, in the absence of a contrary direction by the Director of Priorities, no person shall, during any calendar month, accept deliveries of tungsten chemical compounds or manufacture such compounds from tungsten ore or concentrates, to be used in either case for purposes other than the manufacture of tungsten metal powder, in a quantity which will in the aggregate by weight exceed 90% of the average monthly quantity of tungsten chemical compounds delivered to, and manufactured by him for such purposes during the year ending June 30, 1941.

(15) *Civilian Deliveries.* Subject to the limitations and restrictions contained in this Order and after satisfaction of all Defense Orders and other orders bearing preference ratings,

Copyright, October 17, 1941, The Research Institute of America, Inc.

deliveries under any other contracts or purchase orders may be made. Any allocations made or any preference ratings or other directions issued by the Director of Priorities with respect to the residual supply of tungsten after the satisfaction of all defense requirements, direct or indirect, shall be in accordance with such program as the Office of Price Administration and Civilian Supply may determine.

(c) *Records.* All persons affected by this order shall keep and preserve for a period of not less than two years accurate and complete records of their inventories of tungsten, and of the details of all transactions in such material. Such records shall include the dates of all contracts or purchase orders, and in any Preference Rating Certificates accompanying them, the dates of actual deliveries thereunder, description of the material covered by such contracts or purchase orders, description of deliveries by classes, types, quantities, weights, and values, the parties involved in each transaction, the preference rating, if any, assigned to deliveries under such contracts or purchase orders, details of all Defense Orders either accepted or offered and rejected, and other pertinent information.

(d) *Audit and Inspection.* All records required to be kept by this order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.

(e) *Reports.*

(1) All persons affected by this order shall execute and file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request. No reports or questionnaires are to be filed by any person until forms therefor are prescribed by the Office of Production Management.

(2) Until otherwise instructed by the Office of Production Management, no producer who regularly and promptly files such reports as may be requested by the Bureau of Mines will be required to file any reports with said Office.

(f) *False Statements and Violations.*

(1) Any person who wilfully falsifies any records which he is required to keep by the terms of this order or by the Director of Priorities, or who otherwise wilfully furnishes false information to the Director of Priorities, the Office of Production Management, or the Bureau of Mines; and any person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of tungsten. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C. 80).

(2) Any person affected by this order who violates any of its provisions or a provision of any other order issued by the Director of Priorities, may be prohibited by the Director from making or receiving deliveries of tungsten, or he may be subjected to such other or further action as the Director may deem appropriate.

(g) *Appeal.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him, may appeal to the Division of Priorities by addressing a letter to the Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C., setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

(h) *Notification of Customers.* Any person who is prohibited from, or restricted in, making deliveries of tungsten by the provisions of this order shall, as soon as practicable, notify each of his regular customers of the requirements of this order, but the failure to give such notice shall not excuse any customer from the obligation of complying with the terms of this order.

(i) *Revocation of General Preference Order M-3 and Supplementary Order M-3-a.* General Preference Order M-3 to direct the distribution of Ferro-Tungsten, Tungsten Metal Powder, and Tungsten Compounds, and Supplementary Order M-3-a, both issued on March 26, 1941, by the Director of Priorities, are hereby revoked effective as of the effective date of this order.

(j) *Effective Dates.* This order shall take effect on the 31st day of August 1941, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of December, 1941. (O.P.M. Reg. 3, March 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; Sec. 2(a), Public No. 671, 76th Congress, 3rd Session, as amended by Public No. 89, 77th Congress, Sec. 9, Public No. 783, 76th Congress.)

Issued this 30th day of August, 1941.

.....

E. R. STETTINIUS, JR.,
Director of Priorities.

Vf·2,608. Text of Civilian Allocation Program for tungsten chemical compounds. Following is the text of Civilian Allocation Program for tungsten chemical compounds:

TITLE 32—NATIONAL DEFENSE

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION AND CIVILIAN SUPPLY

Part 1344—Tungsten

Civilian Allocation Program for Tungsten Chemical Compounds

It is essential that there be provided an increasing supply of tungsten and tungsten chemical compounds to serve the growing needs of the defense effort and vital civilian demands. To insure the obtaining of priority for deliveries of tungsten related to military defense needs, the Priorities Division, Office of Production Management, has issued General Preference Order No. M-29. That order will further diminish the supply of tungsten available for civilian chemical manufacture. It is therefore necessary to restrict the use and manufacture of tungsten chemical compounds manufactured from tungsten ore or concentrates.

Accordingly, pursuant to and under the authority vested in me by Executive Order No. 8734, particularly Section 2(a) thereof, the following program is announced:

1344.1 *Allocation of Materials.* No person shall accept delivery of tungsten chemical compounds or manufacture chemical compounds from tungsten ore or concentrates, except for use in executing Defense Orders or in the manufacture of tungsten metal powder, in a quantity which for any calendar month will in the aggregate by weight exceed 90% of the average monthly quantity of tungsten chemical compounds delivered to and manufactured by him, except for use in executing Defense Orders or in the manufacture of tungsten metal powder, during the period July 1, 1940 to June 30, 1941.*

1344.2 *Definitions.* The terms used in this program shall be defined as they are defined in General Preference Order M-29.*

1344.3 *Avoidance of Excessive Inventories.* No person shall accumulate excessive inventories of tungsten chemical compounds under this program.*

1344.4 *Enforcement.* The foregoing program is to be administered and enforced by the Office of Production Management.*

1344.5 *Effective Date and Expiration.* This program shall take effect on September 1, 1941 and shall, unless sooner terminated by the Administrator, expire on December 31, 1941.*

Issued this 28th day of August, 1941.

.....

LEON HENDERSON,
Administrator.

Certified to be a true copy of the original.

.....

JOHN H. HAMM, *Deputy Administrator*

* 1344.1 to 1344.5 inclusive, issued pursuant to the authority contained in Executive Order No. 8734.

Copyright, October 17, 1941, The Research Institute of America, Inc.

Vf·2,609. Small tungsten consumers need not file Form PD-9. Small consumers of tungsten are relieved of the burden of filing monthly reports on Form PD-9 with the Office of Production Management, in Supplementary Order M-29-a, issued October 13, 1941 by the Director of Priorities. According to the terms of the original tungsten order, all users were required to file a monthly report as a prerequisite to receiving deliveries of tungsten. The amendment exempts from this stipulation users of tungsten in quantities of 100 pounds or less of contained tungsten a month.

Vf·2,610. Text of Supplementary Order M-29-a. The following is the text of Supplementary Order M-29-a, issued October 13, 1941:

Supplementary Order No. M-29-a

923.4 *SUPPLEMENTARY ORDER.* (a) It is hereby ordered by the Director of Priorities that, subject to all the other provisions, restrictions, and limitations of General Preference Order M-29, issued August 30, 1941, any person is authorized to receive deliveries of tungsten in the forms specified below up to but not exceeding an aggregate of 100 pounds contained tungsten during any calendar month, without filing Form PD-9 as prescribed in paragraph (b) (12) of said order:

The element tungsten in pure form, ferro-tungsten, tungsten in the form of metal powder, and other combinations with other elements in semi-manufactured or manufactured form, prepared for consumption in the manufacture of steel, or for other purposes;

All chemical compounds having tungsten as an essential and recognizable component.

(b) This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of December, 1941.

Issued this 13th day of October, 1941. .....
D. M. NELSON, *Director of Priorities.*

Vf·2,611. Order M-29 and Supplementary Order M-29-a extended to June 30, 1942. Order M-29 and Supplementary Order M-29-a which would have expired December 31, 1941 were extended to June 30, 1942 on December 19, 1941.

Vanadium—Allocation

Vf·2,700. Importance of vanadium. Vanadium is of great importance as an alloy material for steel. Its most important use is in carbon-vanadium tool steel. This extremely tough steel is preferred to many other kinds of tool steel because of its hardness. It has a very high shock strength, hardens through small sections, may be oil quenched and drawn for high strength levers, screws, locks, etc. It is not subject to "blue brittleness." Vanadium is used, furthermore, to improve steel castings. The addition of a small amount of vanadium to steel castings refines the grain, raises the so-called yield-point strength without sacrificing ductility, and greatly increases resistance to shock and fatigue. This is especially useful in engine and railroad car castings. The importance of vanadium in high speed tool machine operations necessary in connection with the accelerated defense program cannot be exaggerated.

Apparent domestic consumption of vanadium in 1940 was approximately 3,000,000 pounds. The current rate of production would indicate that 3,750,000 pounds in finished form will be made available in 1941 as against an estimated need of 5,900,000 pounds for the year. Requirements for 1942 are expected to reach 7,150,000. The United States and Peru produce, in about equal quantities, 70% of the world supply of vanadium.

Vf·2,701. Vanadium placed under full priority control. Vanadium was placed under full priority control by General Preference Order M-23 on August 14, 1941. The order assigns a rating of A-10 to all defense orders for vanadium to which this rating or a higher one has not been specifically granted, and requires the acceptance of such orders in preference to non-defense orders. The order requires that after September 1, 1941, a manufacturer wishing to purchase vanadium must file a statement of the uses to which it is to be put, and must do so not later than the 25th of the month preceding that of the specified delivery.

It also restricts deliveries to an amount not in excess of that necessary to a manufacturer to fill his orders on the basis of his current method and rate of production. This restriction does not apply to exports licensed by the Administrator of Export Control, or to vanadium imported by a processor.

Observation: Vanadium has been subject to inventory control under General Metals Order No. 1, issued May 1, 1941, from which it was removed by General Preference Order M-23.

Vf·2,702. Text of General Preference Order No. M-23 for vanadium. The following is the text of General Preference Order No. M-23 relating to the conservation and distribution of vanadium, issued August 14, 1941:

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

Subchapter B—PRIORITIES DIVISION

Part 966—VANADIUM

GENERAL PREFERENCE ORDER M-23

TO CONSERVE THE SUPPLY AND DIRECT THE DISTRIBUTION OF VANADIUM

WHEREAS, the national defense requirements have created a shortage of Vanadium, as hereinafter defined, for defense, for private account, and for export, and it is necessary, in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

966.1 *GENERAL PREFERENCE ORDER* (a) *Definitions.* For the purposes of this Order:

(1) "Vanadium" means and includes:

(i) Ores or concentrates containing Vanadium (commercially recognized);

(ii) The element Vanadium in pure form, Ferro-Vanadium, and other combinations with other elements in un-manufactured or semi-manufactured form, prepared for consumption in the manufacture of steel or any other article;

(iii) All chemical combinations having Vanadium as an essential component;

(iv) All scrap or secondary material containing commercially recoverable Vanadium as defined in (i), (ii), and (iii), above.

(2) "Person" means any individual, partnership, association, corporation, or other form of enterprise.

(3) "Defense Order" means:

(i) Any contract or order for material or equipment to be delivered to, or for the account of:

(a) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development;

(b) The Government of Great Britain and the government of any other country whose defense the President deems vital to the defense of the United States under the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States."

(ii) Any other contract or order to which the Director of Priorities assigns a preference rating of A-10 or higher;

(iii) Any contract or order placed or offered by any Person for the delivery of any Material or Equipment needed by him to fulfill his contracts or orders on hand, which Material or equipment is required for the fulfillment of any contracts or orders included under (i) and (ii) above.

(b) *Directions as to Deliveries.* Deliveries of Vanadium by any Person shall be made only in accordance with the following directions:

(1) *Restrictions on Acceptance of Deliveries.* Beginning September 1, 1941, no person shall accept delivery of Vanadium, unless and until he shall have filed with the Division of Priorities, not later than the 25th day of the month next preceding the month in which delivery is specified, a certified statement on Form PD-84, or such other form as may be prescribed from time to time by the Division of Priorities, setting forth such information as may be required on such form, including the source of and specification of the Vanadium of which he is seeking delivery.

Copyright, October 17, 1941, The Research Institute of America, Inc.

(2) *A-10 Assigned to Certain Defense Orders.* Deliveries under all Defense Orders to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

(3) *Sequence of Preference Ratings.* Preference ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., . . . A-1-j; A-2, A-3, etc., . . . A-10, etc., AA being the highest rating presently assigned.

(4) *Doubtful Cases.* Whenever there is doubt as to the preference rating applicable to any delivery, or as to whether a particular order is a Defense Order, the matter is to be referred to the Division of Priorities for determination, with a statement of all pertinent facts.

(5) *Sequence of Deliveries.*

(i) Every delivery under a Defense Order shall be made in preference to deliveries under other orders whenever, and to the extent, necessary to fulfill the delivery schedule provided in the Preference Rating Certificate covering such delivery, or in the contract or purchase order if no Certificate has been issued. Deliveries bearing no preference rating or lower preference ratings shall be deferred to the extent necessary to assure those deliveries bearing higher preference ratings, even though such deferment may cause defaults under existing contracts or purchase orders. Each person who has Defense Orders on hand must so schedule his production and deliveries that deliveries under Defense Orders will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings.

(ii) The sequence of deliveries bearing the same preference rating shall be governed by the delivery date specified in the respective Preference Rating Certificates assigned thereto, or if the ratings were assigned by order or direction of the Director of Priorities, but no Certificates were issued, then by the dates specified in the contracts or purchase orders. In any case where both preference ratings and delivery dates are the same, and it is impossible to make all deliveries on schedule, the matter is to be referred to the Division of Priorities for determination.

(6) *Delivery Schedules.* No earlier delivery date shall be specified in any Defense Order than required by the production or delivery schedules of the person placing the Defense Order. No preference rating will be assigned to any contract or purchase order specifying delivery dates earlier or quantities greater than required by the production or delivery schedules of the person placing the contract or purchase order.

(7) *Acceptance of Defense Orders.* Defense Orders for Vanadium, Vanadium Base Alloys and Vanadium Products must be accepted and fulfilled, whether or not accompanied by a Preference Rating Certificate, in preference to any other contracts or purchase orders for any such Material, subject to the following provisions:

(i) Defense Orders must be accepted even if acceptance will render impossible, or result in deferment of

(a) deliveries under non-defense orders previously accepted, or

(b) deliveries under Defense Orders previously accepted bearing lower preference ratings, unless rejection is specifically permitted by the Director of Priorities.

(ii) Defense Orders need not be accepted

(a) if the Material ordered is not of the kind usually produced or capable of being produced by the Person to whom the Defense Order is offered,

(b) if the Person seeking to place the Defense Order is unwilling or unable to meet regularly established prices and terms of sale or payment, but there shall be no discrimination against Defense Orders in establishing such prices or terms,

(c) If delivery on schedule thereunder would be impossible by reason of the requirements of Defense Orders previously accepted bearing higher or equal

preference rating, unless acceptance is specifically directed by the Director of Priorities, or

(d) if such Defense Orders specify deliveries within fifteen days, and if compliance with such delivery dates would require the termination before completion of a specific production schedule already commenced, but this provision shall not authorize rejection when such schedule can be terminated without substantial loss.

(8) *Rejected Orders and Deferred Deliveries.* When a Defense Order for Vanadium has been rejected or delivery thereunder has been unreasonably or improperly deferred in violation of this Order, the person seeking to place such order or obtain such delivery may file with the Division of Priorities a verified report in the form to be prescribed by the Division of Priorities, setting forth the facts in connection with the rejection or deferment. When the facts set forth justify such action, the Director of Priorities will thereupon direct the person against whom complaint is made to submit a sworn statement, setting forth the circumstances concerning the alleged rejection or deferment. Thereafter, such action will be taken by the Director of Priorities as he deems appropriate.

(9) *Civilian Deliveries.* Subject to the limitations and restrictions contained in this Order and after satisfaction of all Defense Orders, and other orders bearing preference ratings, deliveries under any other contracts or purchase orders may be made. Insofar as such directions affect the distribution of the residual supply of vanadium, after satisfaction of all defense requirements, direct and indirect, they will be made in accordance with such program as the Office of Price Administration and Civilian Supply may from time to time determine.

(10) *Use of Material Obtained under Allocation or Preference Rating.* Any person who obtains a delivery of vanadium under an Order or specific direction of the Director of Priorities, or a delivery of vanadium bearing a preference rating, must use such material, or an equivalent amount thereof, for the purpose specified in connection with the issuance of the Order, direction, or rating.

(11) *Intra-Company Deliveries.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply not only to deliveries to other persons, including affiliates and subsidiaries, but also to deliveries from one branch, division, or section of a single business enterprise to another branch, division, or section of the same or any other business enterprise owned or controlled by the same person.

(12) *Effect of Order; Damages.* The prohibitions or restrictions contained in this Order shall, in the absence of a contrary direction, apply to all deliveries made after the effective date of this Order, including deliveries under contracts or purchase orders accepted either prior or subsequent to the effective date of this Order. No person shall be held liable for damages or penalties for any default under any contract or purchase order which results directly or indirectly from his compliance with this Order.

(13) *Inventory Restriction.* Unless specifically authorized by the Director of Priorities, no person shall, after the effective date of this Order, knowingly make delivery of vanadium, and no person shall accept delivery thereof, in an amount, quantity, or number which will increase for any current month the inventory of such vanadium of the person accepting delivery, in the same or other forms, in excess of the amount, quantity, or number necessary to meet required deliveries of the products of the person accepting delivery, on the basis of his current method and rate of operation. This provision shall not prohibit or restrict:

(i) Deliveries for direct export out of the United States, provided that such exports shall have been licensed by the Administrator of Export Control;

(ii) Deliveries of imported vanadium to any person importing the same, either directly or through an agent.

(c) *Records.* All persons affected by this Order shall keep and preserve for a period of not less than two years accurate and complete records of their inventories of vanadium, and of the details of all transactions in such material. Such records shall include the dates of all contracts, or purchase orders accepted, the delivery dates specified in such contracts or pur-

Copyright, October 17, 1941, The Research Institute of America, Inc.

chase orders, and in any Preference Rating Certificates accompanying them, the dates of actual deliveries thereunder, description of the material covered by such contracts or purchase orders, description of deliveries by classes, types, quantities, weights, and values, the parties involved in each transaction, the preference ratings, if any, assigned to deliveries under such contracts or purchase orders, details of all Defense Orders either accepted or offered and rejected, and other pertinent information.

(d) *Audit and Inspection.* All records required to be kept by this Order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Office of Production Management.

(e) *Reports.* All persons affected by this Order shall execute and file with the Office of Production Management such reports and questionnaires as said Office shall from time to time request. No reports or questionnaires are to be filed by any person until forms therefor are prescribed by the Office of Production Management.

(f) *False Statements.* Any person who wilfully falsifies any records required to be kept by the provisions of this Order, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management, and any person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of vanadium. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C. 80).

(g) *Appeal.* Any person affected by this Order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him, may appeal to the Division of Priorities by addressing a letter to the Division of Priorities, Office of Production Management, Social Security Building, Washington, D. C., setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

(h) *Notification of Customers.* Any person who is prohibited from, or restricted in, making deliveries of vanadium by the provisions of this Order shall, as soon as practicable, notify each of his regular customers of the requirements of this Order but the failure to give such notice shall not excuse any customer from the obligation of complying with the terms of this Order.

(i) *Effective Dates.* This Order shall take effect on the 14th day of August, 1941, and, unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of December, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; sec. 2(a), Public No. 671, 76th Congress, sec. 9, Public No. 783, 76th Congress.)

Issued this 14th day of August, 1941.

E. R. STETTINIUS, Jr.,
Director of Priorities.

Vf·2,703. Form PD-84—Monthly report of vanadium inventories and consumption. Reproduced below is Form PD-84, monthly report of vanadium inventories and consumption:

FORM PD-81—MONTHLY REPORT OF VANADIUM INVENTORIES AND CONSUMPTION

OFFICE OF PRODUCTION MANAGEMENT
Washington, D. C.

VANADIUM REPORT FOR MONTH OF _____ , 194_

REPORTING COMPANY _____
(Name) (Address)

1. INVENTORIES IN POUNDS OF VANADIUM CONTENT FOR CURRENT MONTH (Estimate as necessary)

	Stock Beginning of Month	Receipts During Month	Consumed During Month	Stock End of Month
Ferrovanadium				
Vanadium Pentoxide (V_2O_5)				
Recoverable vanadium in revert scrap				

2. VANADIUM CONSUMPTION IN MONTH PRECEDING THAT FOR WHICH THIS REPORT IS FILED:
   a. Gross melting weight of vanadium-bearing steel, _____ tons, contained vanadium _____ pounds.
   b. Shipments of semi-finished and finished vanadium-bearing steels, _____ tons, contained vanadium _____ pounds.
   c. Stocks on hand, semi-finished and finished vanadium-bearing steels, end of month _____ tons, contained vanadium _____ pounds.

3. PROPOSED VANADIUM CONSUMPTION IN MONTH FOLLOWING THAT FOR WHICH THIS REPORT IS FILED. Group your orders for which melts are scheduled next month, according to <u>end-products</u> or <u>uses</u> into which the steel will go. Several orders of varying vanadium content may be grouped together. Some melts may have to be split between several uses. The end-products named should <u>not</u> be industries, or buyers, such as "automotive" or "Navy", and <u>not</u> types of steel by S.A.E. number; but should be such uses as "Naval deck plates", "heavy-duty springs", "drill rods", "cutting tools", "shear blades", "ordnance castings", "propulsion shafts", etc. Use an additional sheet if necessary, in order to indicate all the uses which you consider important.

	1 End-products or Uses for Vanadium-bearing Steel	2 Tonnage of Steel to be Melted	3 Average Vanadium Content (%)	4 Total Contained Vanadium (lbs.)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
			TOTAL	

Of the indicated total vanadium required, we can supply from stocks _____ lbs. We will require _____ lbs., in order to meet the above melting schedule and maintain our normal stocks.

Copyright, October 17, 1941, The Research Institute of America, Inc.

4. SOURCE OF SPECIFICATIONS FOR VANADIUM. For the above groups of orders, indicate the source of the specification calling for vanadium. Use the following sources:

SOURCES:
- A. Army or Navy Specification.
- B. Customer's specification, according to his usual practice.
- C. New specification by customer, caused presumably by a shift from other types of steel.
- D. Customer advised to use this steel, by us, to meet his needs.
- E. Vanadium added by us, according to mill practice, to secure desired physical qualities; but not directly specified by any customer.
- F. Other reasons (explain).

Repeat Total Tonnage of Orders As Grouped Above, Paragraph 3 Column 2.	Indicate Approximate Percentage of Tonnage of Vanadium-bearing Steel Affected by The Sources Above:					
	A	B	C	D	E	F
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						

(Section 35 (A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation in any matter within the jurisdiction of any Department of Agency of the United States).

The undersigned hereby certifies that he executed the foregoing report on behalf of, and by the authority of, the above named _____, and that all of the facts set forth above are true to the best of his knowledge and belief.

_____ _____

Date Signature of Authorized Individual

_____

Title

Vf·2,704. Complete allocation for vanadium by Order M-23a. Order M-23-a of December 20, 1941, placed vanadium under complete priority control. This order, which replaces Order M-23, provides for monthly requests for vanadium allotments and authorizes the Director of Priorities to make monthly allocations without regard to previous preference ratings. Consumers receiving less than 50 pounds per month need not file reports. The text of Order M-23-a follows:

General Preference Order M-23-a

Whereas, the national defense requirements have created a shortage of Vanadium, as hereinafter defined, for defense, for private account, and for export and it is necessary, in the public interest and to promote the defense of the United States, to supplement by further measures the action heretofore taken to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered that:

966.2 *General Preference Order.* (a) *Definition.* For the purpose of this order:

(1) "Vanadium" means and includes:

(i) Ores and concentrates containing vanadium (commercially recognized), vanadium pentoxide, and other vanadium compounds for further purification or refining;

(ii) The element vanadium in pure form, ferro-vanadium, and all chemical or other combinations of the element vanadium with other materials in manufactured or semi-manufactured form, prepared either for further processing or for other purposes;

(iii) All scrap or secondary material containing commercially recoverable vanadium as defined in (i) and (ii) above.

(b) *Regulations Incorporated.* Except as modified by the terms of this order and as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this order with the same effect as if specifically set forth herein.

(c) *Assignment of Preference Rating.* Deliveries of vanadium under all defense orders (as defined in Regulation No. 1) to which a preference rating of A-10 or higher has not been assigned are hereby assigned a preference rating of A-10.

(d) *Restrictions on Deliveries.*

(1) *Allocations.* Hereafter no person shall make or accept delivery of vanadium unless specifically authorized by the Director of Priorities. The Director will from time to time allocate the supply of vanadium and specifically direct the manner and quantities in which deliveries to particular persons or for particular uses shall be made or withheld. The Director may also, in his discretion, require any person seeking to place a purchase order for vanadium to place the same with one or more particular suppliers. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Priorities may also take into consideration the possible dislocation of labor and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian needs.

(2) *Reports.* Unless otherwise ordered by the Director of Priorities, no person shall be entitled to receive an allocation of vanadium unless, not later than the 20th day of the month next preceding the month in which delivery is desired, he shall have filed with the Office of Production Management and with any supplier with whom he may have placed a purchase order for vanadium, a report in the manner and form prescribed from time to time by the Vanadium Branch of the Office of Production Management; provided, however, that, subject to all the other provisions, restrictions and limitations of this order and until further order by the Director of Priorities, any person may receive deliveries during any calendar month up to but not exceeding an aggregate of 50 pounds contained vanadium without filing the reports required by this paragraph.

(e) *Violations.* Any person affected by this order, who violates any of its provisions, or a provision of any other order, direction or regulation issued by the Director of Priorities, may be prohibited by the Director from making or receiving further deliveries of vanadium, or of any

Copyright, December 30, 1941, The Research Institute of America, Inc.

other material subject to allocation, or he may be subjected to any other or further action which the Director may deem appropriate.

(f) *General Preference Order M-23 Revoked.* General Preference Order M-23, issued by the Director of Priorities August 14, 1941, is hereby revoked.

(g) *Effective Dates.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 30th day of June, 1942.

Issued this 20th day of December, 1941.

D. M. NELSON, *Director of Priorities.*

All reports to be filed, appeals and other communications concerning this order, should be addressed to the Vanadium Branch, Office of Production Management, Social Security Building, Washington, D. C., Reference: M-23-a.

Cobalt—Allocation

Vf·2,725. Priority control for cobalt established. Because of a shortage and the uncertainty of shipments from abroad, cobalt was placed under a direct allocations system on November 4, 1941 to be administered by the Director of Priorities. General Preference Order M-39 places domestic and imported ore and concentrates, cobalt metal, and cobalt chemical compounds, under mandatory control and restricts deliveries and acceptances of cobalt for metallic uses to specific authorizations by the Director of Priorities.

The order provides that monthly requests for cobalt shall be filed on forms prescribed by the Division of Priorities. Monthly allocations of cobalt for metallic purposes will be made by the Director, and may be made without regard to previous preference ratings. Deliveries of cobalt chemical compounds for non-metallic uses by any processor or dealer are limited to 90% of the average monthly weight delivered by him for the first six months of 1941. A similar restriction is placed on the manufacture of those chemicals which are not convertible into cobalt metal. Termination date of the order is March 31, 1942.

Vf·2,726. Text of Order M-39 for cobalt. The following is the text of Order M-39 for cobalt, issued November 4, 1941:

Part 987—COBALT

General Preference Order M-39

To Conserve the Supply and Direct the Distribution of Cobalt

WHEREAS, the uncertainty of shipments of Cobalt from abroad, and the national defense requirements of Cobalt have created a shortage thereof, for defense, for private account, and for export and it is necessary in the public interest and to promote the defense of the United States, to conserve the supply and direct the distribution thereof;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

987.1 *GENERAL PREFERENCE ORDER.* (a) *Definitions.* For the purposes of this order:

(1) "Cobalt" means and includes:

(i) Ores, concentrates and residues, including beneficiated or treated forms containing Cobalt (commercially recognized).

(ii) The element Cobalt in any form, and combinations with other elements in which Cobalt is an essential constituent.

(iii) All chemical compounds in which Cobalt is an essential and recognizable component.

(iv) All scrap or secondary material containing commercially recoverable Cobalt as defined in (i), (ii), and (iii) above.

(2) "Producer" means any person who mines or otherwise produces natural materials containing recoverable quantities of Cobalt.

(3) "Processor" means any person who uses Cobalt in any form for the manufacture of or conversion into Cobalt chemical compounds or metallurgical forms of Cobalt.

(4) "Dealer" means any person who procures Cobalt either by importing or from domestic sources for resale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(b) *Regulations Incorporated.* Except as modified by the terms of this order and as otherwise specifically provided herein, all of the provisions and definitions of Priorities Regulation No. 1, issued by the Director of Priorities on August 27, 1941 (Part 944), as amended from time to time, are hereby included as a part of this order with the same effect as if specifically set forth herein.

(c) *Assignment of Preference Rating to Certain Defense Orders.* Deliveries of Cobalt under all defense orders (as defined in Regulation No. 1) to which a preference rating of A-10 or higher has not been specifically assigned are hereby assigned a preference rating of A-10.

(d) *Forms to be Filed Before Receiving Delivery.* Hereafter any person seeking delivery of Cobalt shall file with the Division of Priorities, not later than the 20th day of the month next preceding the month in which delivery is specified, Forms PD-152 and PD-153 or such other form or forms as the Division of Priorities may from time to time prescribe. The Director of Priorities may in his discretion from time to time issue specific directions exempting particular customers or classes of customers from the provisions of this paragraph (d) on the basis of the limited character of their requirements for Cobalt.

(e) *Allocation of Deliveries of Certain Forms of Cobalt.* In addition to all other limitations and restrictions contained in this order, beginning November 1, 1941, no person shall make or accept delivery of Cobalt in any of the forms specified in paragraphs (a)(1)(i) and (a)(1)(ii) above, or of Cobalt chemical compounds to be processed into Cobalt metal, except as specifically authorized by the Director of Priorities. During each calendar month, the Director of Priorities will at such time or times as he may determine allocate the supply of Cobalt in the forms specified in paragraphs (a)(1)(i) and (a)(1)(ii) above, and of Cobalt chemical compounds to be processed into Cobalt metal, among persons seeking deliveries thereof, and specifically direct the manner and quantities in which deliveries may be made and accepted. In making any such allocations and directions, the Director of Priorities may take into consideration any person's stocks on hand and supply otherwise available to him, of Cobalt in the forms mentioned, and of scrap or secondary material containing commercially recoverable Cobalt. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made, in the discretion of the Director of Priorities without regard to any preference ratings assigned to particular contracts or purchase orders.

(f) *Limitations on Deliveries and Manufacture of Certain Cobalt Chemical Compounds.* Unless otherwise ordered by the Director of Priorities:

(i) Beginning October 1, 1941, the aggregate weight of Cobalt chemical compounds delivered by any processor or dealer during any calendar month which will be used for purposes other than manufacturing Cobalt metal shall not exceed 90% of the average monthly aggregate weight of such compounds delivered by such processor or dealer for such purposes during the first six months of 1941;

(ii) During the period from October 1, 1941, to March 31, 1942, inclusive, the aggregate weight of Cobalt chemical compounds not commercially convertible into Cobalt metal, which may be processed or manufactured by any processor, shall be limited to 90% of the aggregate weight of such compounds processed or manufactured by him during the first six months of 1941.

(g) *Violations.* Any person affected by this order who violates any of its provisions or a provision of any other order issued by the Director of Priorities, may be prohibited by the Director from making or receiving deliveries of Cobalt, or he may be subjected to such other or further action as the Director may deem appropriate.

(h) *Effective Date.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of March, 1942.

Copyright, November 14, 1941, The Research Institute of America, Inc.

Issued this day of , 1941.

.....
DONALD M. NELSON, *Director of Priorities.*

Vf·2,727. Order M-39-a exempts small users from reporting. On December 5, 1941 users of cobalt who require less than 50 pounds per month were relieved of the necessity of filing monthly request forms. The purpose of Order M-39-a, which effected this change, is to relieve small consumers, principally in the chemical field, of the burden of constant reporting. The following is the text of Order M-39-a:

Supplementary Order No. M-39-a

987.2 *Supplementary Order.* (a) It is hereby ordered by the Director of Priorities that, subject to all the other provisions, restrictions and limitations of General Preference Order M-39, issued November 4, 1941, any person is authorized to receive delivery of cobalt in any of the forms included in the definition thereof, as set forth in paragraph (a)(1) of General Preference Order M-39, up to but not exceeding an aggregate of 50 pounds contained cobalt during any calendar month without filing the forms required by the provisions of paragraph (4) of said order.

(b) This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Priorities, shall expire on the 31st day of March, 1942.

Issued this 5th day of December, 1941. J. S. KNOWLSON, *(Acting Dir. of Priorities).*

Vf·2,728. Form PD-152—application for cobalt metal. The following is the text of Form PD-152 which constitutes a monthly application for cobalt:

Form PD-152—Monthly Application for Allocation for Cobalt for Metallic Uses

Note:—This sheet will be detached by the Office of Production Management and held in their files.

PD-152

Office of Production Management, Division of Priorities, Washington, D. C.

Application for Allocation for Cobalt for Metallic Uses as defined in Order M-39

For month of .....

Execute this form in duplicate. Forward one copy to the Division of Priorities, Washington, D. C., pages (3) and (4) containing the quota allocated, will be returned by the Division of Priorities to the company to whom this request is directed, indicating quantity approved for shipment; and pages (1) and (2) retained by the Office of Production Management. Execute separate forms for each company to whom a request is directed. This application is to be filed on the tenth day preceding the first day of the month for which application is filed.

Name of Applicant ..... Address .....

I. a. Name of Company to whom request is directed ..... b. Material requested .....

Questions II and III refer to the month preceding the month for which this application is filed. Make estimates as of the last day of the month wherever necessary.

II. Report of Inventory and Consumption of Cobalt, (Show amount in pounds), for the month of .....

Raw Materials	Inventory Beginning of Month		Received During Month		Consumed During Month		Inventory End of Month	
	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt
1. Cobalt Metal								
2. Cobalt Metal Powder								
3. Cobalt Bearing Scrap								
a. Own plant								
b. Purchased								
4. Cobalt Oxide or Compounds for use in Cobalt Metal								

III. Indicate the gross weight and estimated contained Cobalt inventory for finished, semi-finished or in-process Metal Products, gross weight ..... lbs., contained Cobalt ..... lbs., for the month of .....

Questions IV and V refer to the month for which this application is being filed.

IV. Proposed consumption of Cobalt in all forms of Metal products. (Note: After the two categories of steels enter other products you make, such as stellite—Hardcutting Alloys) For the month of .....

Type of Metal Produced Month of	Pounds to be Produced	Contained Cobalt (Pounds)	Ultimate Use	% of Production covered by "A" preference ratings
1. High-Speed Steel				
2. Other Steels				
3.				
Totals				

V. Cobalt available and net requirements of additional supplies. (State in pounds of contained Cobalt). For the month of .....

	Ore, Concentrates & Crudes	Purchased Scrap	Revert Scrap	Metallic Cobalt and Metal Powder	Cobalt Oxide	Cobalt Compounds
1. Inventory *						
2. To be received during month				xxxxx	xxxxx	
3. Totals 1 & 2						
4. Required from company named in question No. 1 above			xxxxx	xxxxx		
Do not execute 5. Quantity Approved—Date			xxxxx	xxxxx		

* Your estimate of the amount which can be used without depleting your minimum working inventory.

VI. Estimated net requirements of contained Cobalt from the company listed in answer to question No. 1 for the three months following the month for which this application is filed.
First ..... lbs. Second ..... lbs. Third ..... lbs.

Copyright, December 30, 1941, The Research Institute of America. Inc.

This sheet will be detached by the Office of Production Management and forwarded to the supplier named in the application.

Office of Production Management, Division of Priorities, Washington, D. C.

Application for Allocation for Cobalt for Metallic Uses as defined in Order M-39

For month of .....

Name of Applicant ..... Address .....

I. a. Name of Company to whom request is directed .....

b. Material Requested .....

Pounds Cobalt Content for Month of

c. Quantity Requested .....

Pounds Cobalt Content for Month of

d. Quantity Allocated .....

Certificate

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) he executed the foregoing report on behalf of and by authority of the above-named applicant;

(2) the facts stated above are, to the best of his knowledge and belief, true and correct;

(3) the estimates of requirements of contained cobalt have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner;

(4) that none of the contained cobalt, delivery of which will be secured by application of General Preference Order No. M-39 will be diverted to uses other than prescribed by the order.

....

(Date) (Signature of Authorized Official) (Title)

(Section 35(A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

Authorization

The Director of Priorities of the Office of Production Management, hereby allocates for the month specified, in amounts as designated in statement No. 1 (d) on preceding page and authorizes the delivery of such materials pursuant to General Preference Order M-39.

Date ....

Branch Chief

....

Priorities Specialist Director of Priorities

Vf·2,729. Form PD-153—application for cobalt chemicals. The following is the text of Form PD-153 for firms desirous of using cobalt chemicals for non-metallic uses:

Form PD-153—Monthly Application for Allocation for Cobalt Chemicals for Non-Metallic Uses

Note:—This sheet will be detached by the Office of Production Management and held in their files.

PD-153

Office of Production Management, Division of Priorities, Washington, D. C.

Application for Allocation for Cobalt Chemicals for Non-Metallic Uses as Defined in Order M-39

For month of .....

Execute this form in duplicate. Forward one copy to the Division of Priorities, Washington, D. C., pages (3) and (4) containing the quota allocated, will be returned by the Division of Priorities

to the company to whom this request is directed, indicating quantity approved for shipment; and pages (1) and (2) retained by the Office of Production Management. Execute separate forms for each company to whom a request is directed. This application is to be filed on the tenth day preceding the first day of the month for which application is filed.

Name of Applicant ..... Address .....

I. a. Name of Company to whom request is directed ..... b. Material requested .....

Questions II and III refer to the month preceding the month for which this application is filed. Make estimates as of the last day of the month wherever necessary.

II. Report of Inventory and Consumption of Cobalt in products other than Metal.
(Show amounts in pounds) For the Month of .....

Raw Materials	Inventory Beginning of Month		Received During Month		Consumed During Month		Inventory End of Month	
	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt	Gross Weight	Contained Cobalt
1. Ores, Crudes and Concentrates								
2. Cobalt Oxides								
3. Chemical Compounds *Specify*								
4.								

III. Indicate the gross weight and estimated contained Cobalt inventory for finished, semi-finished or in-process materials, gross weight .....lbs., contained Cobalt .....lbs. Questions IV and V refer to the month for which this application is being filed.

IV. Proposed consumption of Cobalt in Chemical Compounds, for the month of .....

Description of Product	Scheduled Production (pounds)	Contained Cobalt (Pounds)	Ultimate Use	% covered by "A" preference ratings
1.				
2.				
Totals				

V. Cobalt available and net requirements of additional supplies. (State in pounds of contained Cobalt). For the month of .....

	Ores, Concentrates, Crudes	Cobalt Oxide	Secondary or Recoverable Metal	Chemical Compounds	Other (specify)
1. Inventory *					
2. To be received during month					
3. Totals 1 & 2					
4. Required from company named in question No. 1 above		xxxxx xxxxx			
Do not execute					
5. Quantity Approved—Date		xxxxx			

* Your estimate of the amount which can be used without depleting your minimum working inventory.

VI. Estimated net requirements of contained Cobalt from the company listed in answer to question No. 1 for the three months following the month for which this application is filed.

First ..... lbs. Second ..... lbs. Third ..... lbs.

Copyright, December 30, 1941, The Research Institute of America, Inc.

This sheet will be detached by the Office of Production Management and forwarded to the supplier named in the application.

Office of Production Management, Division of Priorities, Washington, D. C.

Application for Allocation for Cobalt Chemicals for Non-Metallic Uses as Defined in Order M-39

For month of .....

Name of Applicant ..... Address .....

I. a. Name of Company to whom request is directed .....

b. Material Requested .....

c. Quantity Requested ..... Pounds Cobalt Content for Month of .....

d. Quantity Allocated ..... Pounds Cobalt Content for Month of .....

Certificate

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) he executed the foregoing report on behalf of and by authority of the above-named applicant;

(2) the facts stated above are, to the best of his knowledge and belief, true and correct;

(3) the estimates of requirements of contained cobalt have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner;

(4) that none of the contained cobalt, delivery of which will be secured by application of General Preference Order No. M-39 will be diverted to uses other than prescribed by the order.

....
(Date) (Signature of Authorized Official) (Title)

(Section 35(A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

Authorization

The Director of Priorities of the Office of Production Management, hereby allocates for the month specified, in amounts as designated in statement No. 1 (d) on preceding page and authorizes the delivery of such materials pursuant to General Preference Order M-39.

Date .....

..... Branch Chief

..... Priorities Specialist

..... Director of Priorities

Recent Developments

Vf·6,000. Order M-6-b limits nickel use. The use of nickel, except when necessary for operational purposes, is prohibited by Conservation Order M-6-b as issued January 20, 1942. The prohibited uses include the manufacture of transportation equipment, plating, containers of all types, fire-fighting equipment and lighting equipment. "Operational purposes" will be strictly interpreted. Where any other metal will serve, even though nickel is preferable, the substitute must be used. Nickel cannot be used at all for the manufacture of building supplies, hardware and ornamental metal work; plumbing, heating and air conditioning supplies; clothing accessories, jewelry, toilet articles, accessories, souvenirs, novelties, games, toys, art objects and musical instruments; branding, marking and labeling devices; decorative uses of all kinds; photographic and art equipment and supplies; sporting goods and pleasure boat fittings, and saddlery and harness hardware and fittings. Home and office furnishings and appliances and commercial and industrial appliances also come under the general prohibition, except for heating elements for replacement purposes and in the manufacture of electric ranges, portable heaters and water heaters. The usual nickel-plated home electric appliances are included in the prohibition. Exceptions to the order include the usual ones of government orders, safety regulations and priority ratings of A-1-k or higher. Uses of nickel not specifically mentioned in the order are limited to allocations of a specific amount of metal for a definite purpose.

Vf·6,001. Conservation Order No. M-6-b curtailing the use of nickel in certain items.

Whereas, national defense requirements have created a shortage of nickel for the combined needs of defense, private account, and export; and the supply now is and will be insufficient for defense and essential civilian requirements unless its use in the manufacture of many products where such use is not absolutely necessary for the defense or essential civilian requirements is curtailed or prohibited as hereinafter provided:

Now, therefore, it is hereby ordered that:

Sec. 927.3 **Conservation Order.**

(a) *Prohibition of use of nickel in articles appearing on List A.*

(1) Any person using nickel in any item on List A shall reduce his use of nickel in any such item between January 1 and March 31, 1942 to 50% of his use in the base period.

(2) Effective April 1, 1942, no nickel shall be used in the production of any item on List A.

(b) *Limitation on all other uses of nickel.* Until further action by the Director of Priorities, any person may use nickel in the manufacture of any article not included under the classifications on List A attached, or of any article not specifically exempted under paragraph (c) hereof, but only to the extent that such material may be allocated to him for such purposes pursuant to General Preference Order M-6-a, and subject to any specific directions which may be issued by the Director of Priorities with respect to such allocation.

(c) *General Exceptions.* Where and to the extent the use of any less scarce material is impracticable, the prohibitions, limitations and restrictions contained in paragraphs (a) and (b) shall not apply to the use of nickel in the manufacture of any item which is being produced:

(1) For delivery under a specific contract or subcontract for the Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, the Coast Guard, the Civil Aeronautics Authority, the National Advisory Commission for Aeronautics, the Office of Scientific Research and Development or for any foreign country prsuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States," (Lend-Lease Act) if in any such case the use of nickel to the extent employed is required by the specifications of the prime contract, or

(2) to comply with safety regulations issued under governmental authority, provided the pertinent provisions of such regulations were in effect both on December 1, 1941, and on the date of such use, and specifically and exclusively require the use of nickel to the extent employed, or

(3) with the assistance of a preference rating of A-1-k or higher.

(d) *Prohibitions against sales or deliveries.* No person shall hereafter sell or deliver nickel to any person if he knows, or has reason to believe, such material is to be used in violation of the terms of this order.

(e) *Limitation of inventories.* No manufacturer shall receive delivery of nickel (including scrap) or products thereof, in the form of raw materials, semi-processed materials, finished parts or sub-assemblies, nor shall he put into process any nickel in the form of raw material, in quantities which in either case shall result in an inventory of such raw, semi-processed or finished material in excess of a minimum practicable working inventory, taking into consideration the limitations placed upon the production of nickel products by this order.

(f) *Miscellaneous provisions.*

(1) *Applicability of Priorities Regulation No. 1.* This order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this order shall govern.

(2) *Appeals.* Any person affected by this order, who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of nickel conserved, or that compliance with this order would disrupt or impair a program of conversion from non-defense work to defense work, may appeal to the Office of Production Management by letter or on such form as the Nickel Branch of the Office of Production Management may prescribe, reference: M-6-b, setting forth the pertinent facts, including a statement of such person's inventory of nickel, his production and employment, together with the reasons he considers he is entitled to relief. The Director of Priorities may thereupon take such action as he deems appropriate.

(3) *Applicability of order.* The prohibitions and restrictions contained in this order shall apply to the use of material in all articles hereafter manufactured irrespective of whether such articles are manufactured pursuant to a contract made prior or subsequent to the effective date hereof, or pursuant to a contract supported by a preference rating. Insofar as any other order of the Director of Priorities may have the effect of limiting or curtailing to a greater extent than herein provided the use of nickel in the production of any article, the limitations of such other order shall be observed.

(4) *Violations or false statements.* Any person who violates this order, or who wilfully falsifies any records which he is required to keep by the terms of this order, or by the Director of Priorities, or who otherwise wilfully furnishes false information to the Director of Priorities or to the Office of Production Management may be deprived of priorities assistance or may be prohibited by the Director of Priorities from obtaining any further deliveries of materials

subject to allocation. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35(a) of the Criminal Code (18 U.S.C. 80).

(5) *Definitions.* For the purposes of this order:

(i) "Nickel" means any metallic nickel, either primary or produced from or contained in scrap, or nickel matte, or any non-ferrous alloy, when nickel has been specified or added to produce a desired alloying effect. It also includes special-purpose alloys, such as those for heat or corrosion resistance or electrical use, but does not cover such steel and iron alloys as are covered by Supplementary Order M-21-a.

(ii) "Inventory" of a person includes the inventory of affiliates and subsidiaries of such person, and the inventory of others where such inventory is under the control of or under common control with or available for the use of such person.

(iii) "Manufacture" means to fabricate, assemble, melt, cast, extrude, roll, turn, spin, produce, or process in any other way, but does not include installation of a finished product for the ultimate consumer.

(iv) "Item" means any article or any component part thereof.

(v) "Use" means both (1) the act of putting nickel into process in the manufacture of any item and (2) the act of completing the manufacture of any such item. (Where a person is limited to a percentage of the material used in a base period this limitation applies respectively to (1) the amount of material put into process during the base period and (2) to the total amount of material contained in a completed item or article multiplied by the number of such items or articles completed during the base period. Each restriction must be applied separately.)

(vi) "Base period" means, at the option of the manufacturer, either (1) the corresponding quarterly period in 1940, or (2) the first calendar quarter in 1941, provided that the same option shall be used throughout the calendar year.

(vii) "Put into process" means the first change by a manufacturer in the form of materials from that form in which it is received by him.

(6) *Effective date.* This order shall take effect upon the date of issuance and shall continue in effect until revoked by the Director of Priorities.

Issued this 20th day of January, 1942.

DONALD M. NELSON, *Dir. of Priorities.*

List A of Conservation Order M-6-b

The use of nickel in the items classified below and in all component parts thereof is prohibited except to the extent permitted by the foregoing conservation order.

* Transportation equipment.
Building supplies, hardware, and ornamental metal work.
Plumbing, heating and air conditioning supplies (excluding valve seats and thermostatic controls).
Clothing accessories.
† Furnishings, furniture, appliances, and equipment (domestic, office and institutional).
† Commercial and industrial appliances and equipment and parts thereof unless covered by General Exception Clause, paragraph (c) of this order.
Jewelry, toilet articles, accessories, souvenirs, novelties, games, toys, art objects, and musical instruments.
* Plating.
* Containers of all types.
Branding, marking and labeling devices.
* Fire fighting apparatus and equipment.
* Lighting equipment.
Non-operating or decorative uses or parts of installations and mechanical equipment, including frames, bases, standards and supports.
Photographic and art equipment and supplies.
Sporting goods and pleasure boat fittings and hardware.
Saddlery and harness hardware and fittings.

* Except where necessary for operational purposes.
† With the exception of heating elements for replacement purposes or for use in the manufacture of electric ranges, portable heaters, and storage type water heaters.

Vf • 6,002. Form PD-72—report of calcium-silicon requirements.

Form PD-72 (Revised 9-23-41)

Name of Applicant..... Address.....

Execute this form in duplicate. Forward one copy to the Manganese-Chrome Commodity Branch, Office of Production Management, Washington, D. C. File one copy with your supplier.

I. Calcium-Silicon Requirements for month of March, 1942:

Types of Iron and Steel to be Melted and Treated with Calcium-Silicon *	Net Tons of Steel Treated	Report the Ultimate Product to be Made, and Its Use ‡	Preference Rating †	Calcium-Silicon to be Used During Month (Pounds)	Calcium-Silicon Requested from Producer for March Shipment (Pounds)
1.....	.....	.....	.....	.....	.....
2.....	.....	.....	.....	.....	.....
Total					

* If stainless steels are to be made, classify as chrome-nickel steels, straight chrome steels, 4 to 9 percent chrome-molybdenum steels, or other stainless steels. The information called for in this column should be filled in on forms filed with O.P.M., but *need not be filled in on forms filed with supplier.*

† In reporting preference ratings use three classifications only: "A-1 to A-9," "A-10," and "B." The ratings given must be supported by individual preference ratings physically in your possession. You are expected to obtain any information needed for such classification from your customers. Do not lump orders having different group classification ratings.

‡ The information called for in this column should be filled in on forms filed with O.P.M., but *need not be filled in on forms filed* with supplier.

PLEASE REPLY TO QUESTIONS

II. We believe that Calcium-Silicon must be used in the types of iron or steel indicated above for the following reasons in each case:

1.....

2.....

	Jan. 31, 1942	Estimated Stocks Feb. 28, 1942
III. Stocks of Calcium-Silicon on Hand:	.....lbs.	.....lbs.
IV. Actual consumption of Calcium-Silicon: During January, 1942:	.....lbs.	

Copyright, February 8, 1942, The Research Institute of America, Inc.

PD-221
1/8/42

CONFIDENTIAL
For Use of
Federal Defense
Agencies Only

Inventory of Heat-Resistant Chrome Steel Containing 4% or More Chrome as of January 8, 1942

This inventory report is pursuant to Supplemental Order M-21-d. One copy must be filed by January 15, 1942, with the Iron and Steel Branch, Office of Production Management, Social Security Building, Washington, D. C.

Name of company .....

Plant Location .....

1. Type of Business (Fabricator, dealer, etc.) .....
2. Principal Products containing chrome steel (List three most important ones) .....
3. Does this inventory cover all of your plants? ..... If "No" submit a separate report for each plant.

(See Instructions on Reverse Side)

Class of Item (Specify Shape, Size & Finish)	Number of Items	AIS Type or Grade	Mean % Chromium	Mean % Nickel	Nickel Content (Pounds)	Chromium Content (Pounds)	Total Weight (Tons)	Estimated Dollar Value (Cost)	Consumption on Denfese Orders of A-10 or Higher During Dec., 1941 (pounds total weight)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

(Attach additional sheets if necessary)

Section 35A of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within the jurisdiction of any department or agency of the United States.

Do you desire assistance in liquidating your inventory? .....

The undersigned certifies that the information in this report is complete and correct to the best of his knowledge and belief.

.....
(Name of Official)

....
(Date) (Title)

Vf • 6,003. Form PD-221—heat-resistant chrome steel inventory.

Section 55 (a) of the Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.
The foregoing report is true to the best of my knowledge and belief.

By: .....
(Name)

.....
(Name of Company)

.....
(Title) Date: .....

State of .....
County of ..... } ss

Subscribed and sworn to before me, a Notary Public in and for the State and County aforesaid, by ..... whose name is signed to the foregoing report on this ..... day of ....., 1942.

.....
(Notary Public)
(Date)

General Instructions

Who Must File: (a) Any person or company coming under the provisions of Supplemental Order M-21-b and owning, wherever located, as of January 8, 1942, 200 or more pounds of heat-resistant chrome steel containing 4% or more chrome in raw stock or cut-to-size stock.

(b) Persons or companies using 95% (by total weight) of their December, 1941, consumption of heat-resistant chrome steel containing 4% or more chrome on defense orders as defined in Priorities Regulation No. 1 are not required to file this inventory report.

Specific Instructions

Give your inventory in accordance with the classifications set forth below, giving for each classification the total stocks of that class which you own. If for any of these classes you have less than 2,000 pounds, do not fill in Columns 2, 3, 4, and 5.

Classes of Steel

1. Plates (Universal and Sheared)
2. Hot Rolled Bars
3. Cold-Finished Bars
4. Mechanical and Pressure Tubes
5. Wire
6. Sheets and Strips, Hot Rolled
7. Sheets and Strips, Cold Rolled
8. Sheets and Strips, All Other
9. Tool Steel
10. Forgings
11. Other Steel Mill Products (Specify)

If for any of the above classifications (for example, Cold Finished Bars) you have 2,000 pounds or more (total weight) list under each classification separately the raw stock and the cut-to-size stock and give under each the several items in accordance with the example shown below.

Example of Entries in Column 1

Class of Item (Specify Shape, Size, and Finish)
Sheets and Strip
36″ x 96″ 12 gauge 2B Finish
48″ x 120″ 22 gauge 4 Finish
Cold Finished Bars
10-12 feet 7/16″ round annealed and pickled
6 feet ½″ round cold drawn finish

Vf·6,004. Canadian steel producers included under P-68. In an amendment of January 8, 1942, to Order P-68, "producer" was redefined to include persons operating plants situated in Canada, thereby giving such producers the benefit of the preference ratings assigned in the original order.

Amendment No. 1 to Preference Rating Order P-68

(a) Sec. 1002.1 **(Preference Rating Order P-68)** is amended as follows:

(1) Paragraph (a) (2) is amended to read as follows:

(2) "Producer" means any person operating a plant physically situated within the limits of the United States, its territories and possessions, or the Dominion of Canada, and actually engaged in the production of any one or more of the materials or products listed in Schedule A hereto.

(2) Paragraph (e) is amended to read as follows:

(e) *Restrictions on Use of Rating.*

(1) *Restrictions on Producer.* The Producer may not apply any rating hereby assigned to obtain delivery of material on earlier dates than required for the operation, maintenance or repair of property or equipment used in and essential to the production of any one or more of the materials or products listed in Schedule A hereto.

(2) *Restrictions on Supplier.*

(i) No Supplier may apply the rating to obtain material in greater quantities or on earlier dates than required to enable him to make on schedule a delivery rated hereunder or, within the limitations of (ii) and (iii) below, to replace in his inventory material so delivered. He shall not be deemed to require such material if he can make his rated delivery and still retain a practicable working minimum inventory thereof; and if, in making such delivery, he reduced his inventory below such minimum, he may apply the rating only to the extent necessary to restore his inventory to such minimum.

(ii) A Supplier who supplies material which he has in whole or in part manufactured, processed, assembled or otherwise physically changed may not apply the rating to restore his inventory to a practicable working minimum unless he applies the rating before completing the rated delivery which reduces his inventory below such minimum.

(iii) A Supplier who supplies material which he has not in whole or in part manufactured, processed, assembled or otherwise physically changed may defer applications of the rating hereunder to purchase orders or contracts for such material to be placed by him until he can place a purchase order or contract for the minimum quantity procurable on his customary terms; *provided,* that he shall not defer the application of any rating for more than three months after he becomes entitled to apply it.

(3) Paragraph (j) is amended to read as follows:

(j) *Records, Audits and Reports.* Each Producer and each Supplier shall keep and preserve for a period of not less than two years accurate and complete records of all transactions affected by this Order and shall submit from time to time to audit and inspection by duly authorized representatives of the Office of Production Management. Each Producer and each Supplier shall execute and file with the Office of Production Management or other designated agency such reports and in such form as the Office of Production Management shall from time to time require. Until further direction each Producer shall file semi-annual reports on Form PD-228, beginning March 31, 1942, and each Supplier shall file quarterly reports on Form PD-81, beginning January 31, 1942.

(4) Schedule A to Preference Rating Order P-68 is amended by adding at the end thereof the following:

4. Detinned scrap iron and steel, and tin produced in the detinning process.

(b) This amendment shall take effect immediately.

Issued this 8th day of January, 1942.

J. S. KNOWLSON, *Deputy Dir. of Priorities.*

Vf·6,005. Instructions and plan under Steel Plate Allocation Order No. 1. A program to meet the need for increased production of steel plates used in shipbuilding was announced on January 7, 1942. Major point of the plan is a revision of instructions under "General Allocation Order No. 1 —Plates" clarifying procedure and effecting better control. Producers must submit schedules of proposed shipments monthly covering maximum plate capacity based on an operation of 168 hours per week. Should a producer's orders be insufficient to fill maximum capacity production, he must state to what extent when filing his schedule. Orders for the Army, Navy, Maritime Commission, Ship Repairs and Lend-Lease and specifically directed tonnage shall have preference in schedules. Other defense orders come in accordance with Order M-21. Application to produce in excess of the approved schedule must be made to the Plate and Shape Unit, Iron and Steel Branch, OPM, where all re-

Copyright, February 3, 1942, The Research Institute of America, Inc.

ports and schedules are to be sent. Reports are to be filed as follows:

(1) Daily, by telegram, a report of total tonnage of plates shipped for the Army, Navy and Maritime Commission, the first report to show daily shipments since January 1, 1942;

(2) Each Thursday, a report showing net tons of plates shipped and number of 8-hour turns in which the mills produced plates each week;

(3) By the twelfth of each month, a list on PD-169 showing respective tonnage shipped for Army, Navy, Maritime Commission, Lend-Lease, ship repairs and specifically directed tonnage.

All producers of steel plates should support the following plan:

1. Producers should immediately ask their consumers to change the design of their plate fabricated structures or equipment so that as many of the required plates as possible may be produced on continuous strip mills. This should apply to orders now on their books as well as future orders.

2. Each producer having one or more continuous strip mills should immediately notify his plate consumers and the Plate and Shape Unit, Iron and Steel Branch, of the widths, lengths, thicknesses and minimum quantity per item of plates suitable for production on his continuous strip mill or mills. It is recommended that all continuous strip mills accept minimum quantities of 10 tons of a size (width, length and thickness) in order to be of the utmost assistance to the overall war program.

3. Producers who operate universal plate or continuous strip mills, as well as sheared plate mills, should not schedule on their sheared plate mills any orders which can be produced in the same calendar month on their other plate producing facilities.

4. Producers who operate sheared plate mills but do not have continuous strip mills should request their consumers to purchase plates which can be produced on such equipment from producers who do have this type of mill. However, such action should not be taken if the result would be to decrease the production of plates by such producer for such important war requirements as those of the Army, Navy, Maritime Commission and Lend-Lease Program.

Vf·6,006. Instructions under General Allocation Order No. 1—Plates, and for the preparation of Form PD-169, revised: January 7, 1942.

1. *Submission of Schedule.*

Each producer of carbon and alloy steel plates as defined will submit in duplicate, on or before the twelfth day of each calendar month, a proposed Plate Schedule on Form PD-169 to include all plates scheduled for shipment during the following calendar month. Schedules are to include all plates for inter or intra company deliveries and are to include orders received by the producer prior to the first day of the month in which the schedule was submitted.

Carbon and Alloy Steel (except stainless) plates comprise that group of flat hot rolled steel products, including skelp and floor plates,

3/16 in. (0.1875 in.) or thicker, over 48 in. wide
1/4 in. (0.250 in.) or thicker, over 6 in. wide
7.65 lb. per square foot or heavier, over 48 in. wide
10.2 lb. per square foot or heavier, over 6 in. wide
For stainless steel plates sizes are:
3/16 in. (0.1875 in.) or thicker, 10 in. and wider
7.65 lb. per square foot or heavier, 10 in. and wider

2. *Capacity Production.*

Plate Schedules submitted are to be sufficient to cover the maximum plate capacity of each producer. The plate capacity of any producer is the highest previous monthly production of plates or the capacity as specified by the Iron and Steel Branch after consultation and review with the producer.

Maximum Capacity Production of any steel producing unit is understood to be based upon an operation of 168 hours per week, commencing at 12:01 A.M. on Sunday and ending at midnight Saturday less only the time required for needed repairs and maintenance.

Should any producer have insufficient orders on its books for Maximum Capacity Production on any or all of its plate producing units, such information should accompany the producer's schedule with full data as to the tonnage and sizes required for Maximum Capacity Production.

3. *Preference in Scheduling.*

Orders for plates for the Army, Navy, Maritime Commission, Ship Repairs, Lend-Lease and specifically directed tonnage (including specifically directed Canadian defense requirements) shall have preference in schedules. Thereafter shall come all other defense orders for plates in accordance with order M-21.

4. *Plates Rolled on Conversion Basis.*

Each producer shall include in his plate rolling schedule a separate list of all plates rolled on a cenversion basis for any other person or producer and identify on Form PD-169 the Consignee and outside person or producer for each order scheduled.

5. *Procedure in Preparing Schedules.*

In preparing Plate Rolling Schedules, please adhere to the following procedure:

(A) First list alphabetically all orders schedules for shipment during the month.

(B) Second list alphabetically all orders on conversion basis to be shipped during the month.

(C) Identify specifically under "Remarks" all orders for other than carbon plate such as STS-Stainless-Alloy-Armor Plate, etc.

(D) Show Allocation Order Numbers, Series "A" or Series "B," for any item formally allocated. Mark with a double asterisk other items which OPM has specifically requested to be included in the month's schedule.

(E) The following instructions regarding information required in each column on Form PD-169 are to be followed:

Customer's Name (Column 1)

In each case show the customer's name to whom the material is to be shipped. For example, do not show Navy as a customer but show New York Navy Yard or Norfolk Navy Yard. The same shall apply for any tonnage for Maritime Commission. In every case show the yard for which the material is to be shipped. Under Lend-Lease the customer should be shown as the British, Chinese, Russian, etc. For intra or inter shipments, show specifically plant or company to which shipment is to be made.

Type of Mill (Column 2)

Show type of mill for each entry of tonnage. If customer's order is rolled on more than one type of mill, break down order to show tonnage scheduled for each unit. Strip (STP); Sheared (SH); Universal (UM).

Preference Rating (Column 3)

Show all tonnage for each customer for each rating. Do not group ratings such as A-1-a to A-10.

Army (Column 4)

Include all orders covered by PD-3 certificates or orders and contracts received from the War Department.

Navy

Hull (Column 5)

Include only orders for Hull Plates for Navy Yards or prime contractors for Navy ships covered by PD-3 certificate or Navy contracts and orders.

All Other (Column 6)

Include all other orders from Navy prime contractors or subcontractors for Navy covered by PD-3 certificates for Plates other than Hull Plates.

Maritime Commission

Hull (Column 7)

Include only orders for Hull Plates for all ships built under the jurisdiction of the Maritime Commission. They are covered by priorities under Preference Rating Order P-7 and PD-4 Preference Rating Certificate.

All Other (Column 8)

Include all orders for plates other than Hull Plates for the Maritime Commission covered by priorities under Preference Rating Order P-7 and PD-4 Preference Rating Certificate.

Ship Repairs "CSY" (Column 9)

Include in this column all orders for Ship Repairs that are identified by the symbol "CSY" regardless of whether the orders are received from a shipyard or a warehouse. If the order bears the symbol "CSY," it is to be placed in this column. This is the only exception where a warehouse order is *not* included under Warehouse Column (15).

Lend-Lease (Column 10)

Orders received direct by a steel producer from the Procurement Division of the U. S. Treasury, belong in this group regardless of whether or not accompanied by a Preference Rating Certificate. Such orders bear the symbol "DA" on the order form. Orders received from a civilian customer when such orders are accompanied by a Preference Rating Certificate, properly extended and identified by "DA" symbol, belong in this group.

Railroads

Firebox and Boiler (Column 11)

Include only railroad firebox and boiler material used for building of new locomotives and repairs to old locomotives covered by OPM Orders P-20 and P-21.

Carbuilders and All Other (Column 12)

Include all other plates as covered by OPM Order P-8.

Other Priorities (Column 13)

Include all other preference rating orders which cannot be classified under any other column.

Other Export (Column 14)

Include all plates other than Lend-Lease. Any plates for export, other than Lend-Lease, regardless of use, should be shown in this column. Please note that steel for ships being built in Canada or any other country, or steel to be used for any other purpose which is shipped out of the country and is not covered by Lend-Lease is to be included under "Other Export."

Warehouse (Column 15)

All orders for delivery to Warehouse belong in this group. See exception (Column 9).

Skelp (Column 16)

Include all skelp in plate sizes.

All Other (Column 17)

Include all "B" ratings and all unrated tonnage.

Remarks (Column 18)

Show purpose or ultimate use as reported on PD-78. This is important.

(F) For each type of mill (sheared, universal, continuous strip) show totals for each column and each preference rating.

(G) For all types of mills combined show totals for each column and each preference rating.

6. *Supplementary Schedule.*

Each producer shall also submit with his primary Plate Schedule, a Supplementary Schedule listing in full detail on Form PD-169, orders for plates for the Army, Navy, Maritime Commission, Ship Repairs, Lend-Lease, and specifically directed tonnage (including specifically directed Canadian defense orders) required for shipment during this same calendar month, which cannot be scheduled because of insufficient plate producing capacity.

7. *Production in Excess of Schedule.*

If, after the receipt of his approved schedule for a particular month, a producer finds that he can produce tonnage in such month in excess of the quantity scheduled on one or more of his plate producing facilities, and he has received no instructions regarding the disposition of such excess tonnage, he shall immediately contact the Plate and Shape Unit, Iron and Steel Branch, and supply full information as to the tonnage and size range available.

8. *Performance Reports.*

(A) Before the close of each day, except Sundays and holidays, each producer shall file by telegram a report showing the total tonnage of plates shipped by the producer in the interval from the last such report for (1) Army, (2) Navy and (3) Maritime Commission as classified in Form PD-169 in (1) Column 4, (2) Columns 5 and 6 and (3) Columns 7 and 8, respectively. The first report shall be made promptly after the receipt of the Instructions showing shipments each day from and including January 1, 1942 to the date of such filing and the report shall be made daily thereafter.

(B) Each producer shall submit a report showing the net tons of plates shipped and the number of 8-hour turns the mills produced plates each week ending Saturday, Midnight. This report should give shipments in net tons, for each mill, i.e., Sheared, Universal, Strip and Jobbing. For example:

	Net Tons	*Turns Operated*
160″ Sheared	.....	.....
96″ Sheared	.....	.....
80″ Strip	.....	.....
42″ Universal	.....	.....
26″ Jobbing	.....	.....
TOTAL	.....	.....

The report should reach the Iron and Steel Branch *not later than Thursday of each week.*

(C) On or before the twelfth of each month, each producer shall submit a list on Form PD-169 showing by customers the tonnage of plates for the Army, Navy, Maritime Commission, Lend-Lease, Ship Repairs, and specifically directed tonnage (including specifically directed Canadian defense requirements) originally scheduled for shipment in the preceding month but not shipped by the seventh of the month in which the report is submitted. This report shall indicate under "remarks" when such tonnage for each customer will be shipped. This report shall be marked "Deficiency Report for Month of ....."

If a producer has shipped all of the tonnage enumerated above a letter so stating shall be submitted by an official of the company.

9. *To Whom Schedules and Reports Are to Be Sent.*

All schedules and reports listed in these instructions shall be sent to Plate and Shape Unit, Iron and Steel Branch, Office of Production Management, Temporary Building "R," Washington, D. C.

Vf·6,007. Priorities for sheet steel of all gauges under December 31, 1941 Amendment of P-76. Preference rating order P-76 was amended on December 31, 1941, extending the rating of A-4 not only to deliveries of 16 and 18 gauge sheet steel to drum manufacturers for the purpose of replenishing the original inventory, but also to sheet steel of any gauge. The order reproduced at ¶ Vf·903 is P-76 as amended December 31, 1941.

Vf·6,008. Form PD-154a—reservation order of container steel under M-45.

Order for Reservation of Container Steel Under General Preference Order M-45—as Amended to December 31, 1941 by Amendment No. 1

PD-154a—12/31/41

Date.....

To..... Producer.....

Address..... Serial No. of Reservation Order.....

Pursuant to Section (b) of General Preference Order No. M-45, as amended to December 31, 1941, I hereby direct the reservation of ..... tons of ..... gauge hot rolled sheet steel in the possession or ownership of the above named producer. Except pursuant to specific authorization by me, the producer shall not sell, deliver, or process any of the sheet steel so reserved.

Signed.....

Copyright, February 9, 1942, The Research Institute of America, Inc.

Vf·6,009. Acceptance of Preference Rating Order No. P-76.

To be detached from the foregoing Order, signed by an authorized agent, and returned to the Division of Priorities, Office of Production Management, Washington, D. C., by the Producer, before he applies the preference rating assigned by the foregoing Order.

(Before signing this Acceptance, read carefully sections (c), (d) and (e) of the foregoing Order.)

The producer named below hereby accepts Preference Rating Order No. P-76, and certifies to the Director of Priorities of the Office of Production Management that he is entitled to apply the Preference Rating assigned by said Order in accordance with its terms.

Dated this ..... day of ....., 194....

.....
(Legal Name of Producer)

By.....
(Name and Title of Authorized Agent)

.....
(Address of Producer)

(Section 35A of the Criminal Code, 18 U. S. C. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.)

Exact copies, including name and serial number, may be made by the Producer by the photo-offset or similar photographic process, for delivery to Suppliers. These copies must be identical in size and in every other respect with the order issued. In addition, other copies of this Order may be secured from the Division of Priorities, Office of Production Management, Washington, D. C.

Vf·6,010. Form PD-155a—authorization to process container steel under M-45.

Authorization to Process Container Steel Under General Preference Order M-45—as Amended to December 31, 1941 by Amendment No. 1

PD-155A—12/31/41

Date.....

To..... Producer.....

Address..... Serial No. of Authorization.....

Pursuant to Section (b) of General Preference Order No. M-45, as amended to December 31, 1941, and for the purpose of manufacturing steel drums to fill the purchase order(s) indicated below, the above named Producer is hereby authorized to use the necessary amount of ..... gauge rolled sheet steel heretofore reserved for specific allocation under said General Preference Order No. M-45, as so amended.

Signed.....

Purchase Order(s) for Which Use of Container Steel is Authorized

Name and Address of Purchaser	To Be Shipped to: City	State	No. of Drums	Specification

---

Vf·6,011. Form PD-156a—Preference rating application pursuant to amended P-76 order.

PD-156A
12/31/41

Application for Preference Rating Pursuant to Preference Rating Order No. P-76 as Amended to December 31, 1941 By Amendment No. 1

Execute in quadruplicate and file all four copies with the Containers Branch, Office of Production Management, Washington, D. C. File a separate application for each plant location.

Name of Applicant.....
Address .....
Date of Last Application.....

Serial Number of Preference Rating Order Issued to Applicant.....
Plant Location.....

Statement of Inventory Reserved Pursuant to General Preference Order No. M-45, as Amended to December 31, 1941

		—gauge	—gauge
1. Tons of sheet steel in reserved inventory on date of last application. (If no application has previously been made, give inventory information as of the date of your reservation order issued by Director of Priorities under General Preference Order M-45, as amended to December 31, 1941.		.....	.....
2. Tons of sheet steel added to reserved inventory since date of last application.		.....	.....
	Total	.....	.....
3. Tons of sheet steel used from reserved inventory since date of last application.		.....	.....
4. Tons of sheet steel in reserved inventory as of date of this application.		.....	.....
5. Tons of sheet steel for which authorization to apply preference rating is sought.		.....	.....

The undersigned hereby applies for authorization to apply the preference rating provided by Preference Rating Order No. P-76, as amended to December 31, 1941, to deliveries of the amounts of hot rolled sheet steel stated above in Item 5. Any steel acquired by application of the preference rating will be held as reserved subject to the provisions of paragraph (b) of General Preference Order No. M-45, as amended to December 31, 1941. Such steel is to replace steel reserved pursuant to such provision and used, pursuant to a specific authorization of the Director of Priorities for the fulfillment of the orders indicated below:

Date of Your Purchase Order	Date of Authorization Letter	Name and Address of Purchaser	To be Shipped to City	State	Number of Drums	Specification	Tons of Steel Used gauge	gauge

The undersigned hereby certifies that the facts set forth above or appended are true and correct.

Date..... ..... By.....
Legal Name of Applicant Signature and Title of Authorized Agent

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Authorization

The applicant is hereby authorized to assign a preference rating of A-4 to deliveries to the Producer of ..... tons of ..... gauge hot rolled sheet steel.

Signed.....

Vf·6,012. Form PD-83f—producer's report to steel warehouses.

PD-83-f
1-3-42

Sheet.....of.....sheets

CONFIDENTIAL
For use of Federal
Defense Agencies Only

PRODUCER'S REPORT ON DELIVERIES OF.....TO STEEL WAREHOUSES
(Product Classification)

DURING THE CALENDAR QUARTER ENDING

....
(Name of Producer) (Address of Producer)

Instructions

This form is prescribed pursuant to the provisions of Section (e) of General Preference Order M-21, To Conserve the Supply and Direct the Distribution of Steel, issued August 9, 1941. This form is the one mentioned in Paragraph C (3) of Amendment No. 2 to Supplementary Order M-21-b, and in Section (2) of the Directive issued September 26, 1941.

Each producer making shipments of Schedule B products to Steel Warehouses must file this report in duplicate for each of the following product classifications (8, 11a, 13, 15, and 18) with the Iron and Steel Branch, Office of Production Management, Washington, D. C. Where more than one sheet is needed for a product classification, additional sheets of plain white paper of the same size, numbered consecutively, and with appropriate column headings may be used. Use both sides of this sheet if necessary.

Producers should report on each Warehouse for which a Schedule B Product quota is established pursuant to Amendment No. 2 to Supplementary Order M-21-b, including company owned warehouses and consigned stocks. The quota for any Warehouse includes only shipments to stock plus direct shipments to other dealers for the account of that Warehouse. Deliveries to mill depots or distributing centers maintained by the producer from which only carload shipments are made need not be reported, but deliveries from such depot to a Warehouse must be included the same as any shipment direct from the mill.

List all units of a chain of steel warehouses and all branches of a centrally owned system of warehouses consecutively. Deliveries to each unit should be listed in Column 4 and totals for the chain must be shown in parentheses in the same column immediately following the last listed unit of the chain. Place the name of each warehouse in Column 1 and the shipping address indented slightly immediately below each name. Be sure to total the report for each product classification.

Certification

The undersigned certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

Prepared by..... ....
Name of Official Title Date

Sec. 35A of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Name and Address of Each Warehouse	Deliveries to Warehouses: During Year 1940	During Same Qr. 1940	During Qr. Covered by This Report	% of Col. 4 to: Year of 1940 (Col. 2)	Same Qr. 1940 (Col. 3)	Inventory in Consigned Stocks End of Qr. Reported	REMARKS *Use this column to explain any irregularities*
	(Report all weights to the nearest one-tenth (0.1) net ton)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total here or at end of list							

Copyright, February 3, 1942, The Research Institute of America, Inc.

Vf·6,013. Form PD-9A—consumption of tungsten report for metallic uses and monthly allocation requests.

PD-9A
1/2/42

THIS FORM WILL BE HELD IN THE FILES OF THE OFFICE OF PRODUCTION MANAGEMENT

REPORT OF CONSUMPTION OF TUNGSTEN FOR METALLIC USES AS DEFINED IN ORDER M-29
AND REQUESTS FOR ALLOCATION DURING THE MONTH OF _____

Prepare this form in duplicate. Forward one (1) copy to the Priorities Division, Office of Production Management, Social Security Building, Washington, D. C. This application must be filed on the 20th day of the month preceding the month for which application is made. File form PD-9C with this application.

Name of Applicant _____ Address _____

Note: Parts I and II refer to the month next preceding the month to which this application pertains. Estimate to last day of month.

Part I. - REPORT OF INVENTORY AND CONSUMPTION OF TUNGSTEN (In Pounds) FOR METALLIC USES FOR THE MONTH OF _____

Raw Materials	Inventory Beginning of Month		Received During Month		Consumed During Month		Inventory During Month	
	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten
1. Ores and Concentrates		A		B		C		D
2. Ferro-Tungsten								
3. Tungsten Metal Powder								
4. Tungsten Compounds to be Processed into Tungsten Metal Powder: (Specify) a.								
b.								
5. Tungsten Bearing Scrap: a. Own Plant								
b. Purchased								
6. Tungsten Wire and Rod								
7. Tungsten Contacts								
8. Other: (Specify) a.								
b.								

Note: A plus B minus C should equal D

PART II. - INVENTORY OF FINISHED, SEMI-FINISHED AND IN-PROCESS METALLIC PRODUCTS CONTAINING TUNGSTEN, AS OF THE END OF THE MONTH OF

Gross weight. . . . . _____ lbs.
Contained Tungsten, estimated. . . . . _____ lbs.

Note: Parts III, IV and V refer to the month for which this application is being filed.

PART III. - PROPOSED CONSUMPTION OF TUNGSTEN IN ALL FORMS OF STEEL PRODUCTS FOR THE MONTH OF _____

Type of Steel	Product Into Which Incorporated (Give Separate figures for each product)	Net Weight of Melts (Short tons)	Contained Tungsten (Pounds)	% Of Melt Covered By Preference Ratings		
				AA, A-1-a A-1-k	A-2, A-3 .....A-10	B-1, B-2 .....B-10
1. Class A, High Speed	Cutting Tools					
	Hack Saw Blades					
	Other (Specify):					
2. Class B, High Speed	Cutting Tools					
	Hack Saw Blades					
	Other (Specify):					
3. Hot Work Steels	Specify Use:					
4. Tool and Die Steel (Other than included in 1, 2 and 3 above)	Cutting Tools					
	Punches					
	Shear Blades					
	Other (Specify):					
5. Hack Saw Steel (Other than included in 1 and 2 above)	Hack Saw Blades					
	Other (Specify):					
6. Valve Steel	Valves, Aircraft Engines					
	Other (Specify):					
7. Magnet Steel	Magnetos, Aircraft Engines					
	Other (Specify):					
8. Armor Piercing Shell Steel	37 mm. Shells					
	Other (Specify sizes):					
Other Types of Steel: (Specify) 9.	Specify Use:					
10.						
11.						
12.						
Totals	XXXXXXXX					

PART IV. - PROPOSED CONSUMPTION OF TUNGSTEN IN ALL METALLIC PRODUCTS OTHER THAN STEEL DURING MONTH OF

Type of Product	Scheduled Production (Pounds)	Contained Tungsten (Pounds	% Covered by Preference Ratings		
			AA, A-1-a A-1-k	A-2, A-3 .....A-10	B-1, B-2 .....B-10
Tungsten Carbide:					
Cutting Tool Tips					
Hard Facing Rods					
Other (Specify):					
Alloys:					
Cutting Tools					
Wire Drawing Dies					
Other (Specify):					
Wire and Rod:					
Ignition and Electrical Contact Points					
Filaments for Lighting, Transmission and X-Ray Tubes					
Other (Specify):					
Other Products (Specify):					

PART V. - TUNGSTEN AVAILABLE AND NET REQUIREMENTS OF ADDITIONAL SUPPLIES OF TUNGSTEN FOR THE MONTH OF _____

Source of Supply	Ore and Concentrate	Ferro-Tungsten	Tungsten Metal Powder	Tungsten Compounds	Purchased Scrap3/	Revert4/ Scrap	Other Tungsten (Specify)
	(In Pounds of Contained Tungsten						
1. From Inventory1/							
2. Requested for the Month 2 (Enter Supplier's Names Below)							
a.					XXX	XXX	
b.					XXX	XXX	
c.					XXX	XXX	
d.					XXX	XXX	
Totals (a, b, c, & d)					3/	3/	
3. Totals 1 and 2							
4. DO NOT EXECUTE Quantity Approved: a.	XXXXX				XXX	XXX	
b.	XXXXX				XXX	XXX	
c.	XXXXX				XXX	XXX	
d.	XXXXX				XXX	XXXX	
Totals (a, b, c, & d)	XXXXXX				XXX	XXX	

1/ Your estimate of the amount which can be used without depleting your minimum working inventory.
2/ Submit three(3) copies of Form PD-9C for each supplier to whom requests are directed to obtain above amount.
3/ Enter revert scrap which will become available during month. 4/ Enter purchased scrap to be delivered during month.

PART VI. - ESTIMATED NET REQUIREMENTS OF CONTAINED TUNGSTEN FOR THE THREE MONTHS FOLLOWING THE MONTH FOR WHICH THIS APPLICATION IS FILED.

First Succeeding Month	Second Succeeding Month	Third Succeeding Month
_____ Pounds	_____ Pounds	_____ Pounds

C E R T I F I C A T E

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) he executed the foregoing report on behalf of and by authority of the above named applicant;

(2) the facts stated above are, to the best of his knowledge and belief, true and correct;

(3) the estimates of requirements of contained Tungsten have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner;

(4) that none of the contained Tungsten, delivery of which will be secured by application of General Preference Order No. M-29 will be diverted to uses other than prescribed by the order.

(Date) (Signature of Authorized Official) (Title)

Section 35 (A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Copyright, February 3, 1942, The Research Institute of America, Inc.

Vf·6,014. Form PD-9B—consumption of tungsten report for non-metallic uses and monthly allocation requests.

PD-9B—1/2/42 **This Sheet Will Be Held in the Files of the Office of Production Management**

Report of Consumption of Tungsten for Non-Metallic Uses as Defined in Order M-29 and Requests for Allocation During the Month of.....

Prepare this form in duplicate. Forward one (1) copy to the Priorities Division, Office of Production Management, Social Security Building, Washington, D. C. This application must be filed on the 20th day of the month preceding the month for which application is made. File Form PD-9C with this application.

Name of Applicant.....Address .....

Note: Parts I and II refer to the month next preceding the month to which this application pertains. Estimate to the last day of the month.

Part I—Inventory and Consumption of Tungsten (In Pounds) for Non-Metallic Uses During the Month of.....

Raw Materials	Inventory Beginning of Month		Received During Month		Consumed During Month		Inventory End of Month	
	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten	Gross Weight	Contained Tungsten
	A		B		C		D	
1. Tungsten Ore and Concentrates	.....	.....	.....	.....	.....	.....	.....	.....
2. Sodium Tungstate	.....	.....	.....	.....	.....	.....	.....	.....
3. Tungstic Acid	.....	.....	.....	.....	.....	.....	.....	.....
4. Tungsten Compounds: Specify	.....	.....	.....	.....	.....	.....	.....	.....

Note: A plus B minus C should equal D.

Part II—Inventory of Finished, Semi-Finished and In-Process Non-Metallic Products Containing Tungsten as of the End of the Month of.....

Gross weight ..... lbs.

Contained Tungsten, estimated.....lbs.

Note: Parts III and IV refer to the month for which this application is filed.

Part III—Proposed Consumption of Tungsten Materials During Month of.....

Name of Your Product	Product Into Which Incorporated (Give Separate Figures for Each Product)	Scheduled Production (Pounds)	Contained Tungsten (Pounds)	% Covered by Preference Rating		
				AA, A-1-a A-1-k	A-2, A-3 .....A-10	B-1, B-2 .....B-10
1.	a.	.....	.....	.....	.....	.....
	b.	.....	.....	.....	.....	.....
	c.	.....	.....	.....	.....	.....
TOTAL	.....	.....	XXXXXXX	XXXX	XXXX	XXXX

Part IV—Tungsten Available and Net Requirements of Additional Supplies of Contained Tungsten for Month of.....

Source of Supply	Ore and Concentrates	Sodium Tungstate	Tungstic Acid	Other Tungsten Materials (Specify)
	(In Pounds of Contained Tungsten)			
1. From Inventory*				
2. Requested for the Month:** (Enter Names of Suppliers)				
a.	.....	.....	.....	.....
b.	.....	.....	.....	.....
c.	.....	.....	.....	.....
d.	.....	.....	.....	.....
Totals (a, b, c, and d)	.....	.....	.....	.....
3. Totals 1 and 2	.....	.....	.....	.....
4. DO NOT EXECUTE				
Quantity Approved: a.....	XXXXXX	.....	.....	.....
b.....	XXXXXX	.....	.....	.....
c.....	XXXXXX	.....	.....	.....
d.....	XXXXXX	.....	.....	.....

* Your estimate of the amount which can be used without depleting your minimum working inventory.
** Submit three (3) copies of PD-9C for each supplier to whom requests are directed to obtain above amount.

(Continued on following page)

Part V—Estimated Net Requirements of Contained Tungsten for the Three Months Following the Month for Which This Application Is Filed

First	Second	Third
Succeeding Month .....Pounds	Succeeding Month .....Pounds	Succeeding Month .....Pounds

CERTIFICATE

The undersigned applicant hereby certifies to the Director of Priorities that:

(1) he executed the foregoing report on behalf of and by authority of the above-named applicant;

(2) the facts stated above are, to the best of his knowledge and belief, true and correct;

(3) the estimates of requirements of contained Tungsten have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner;

(4) that none of the contained Tungsten, delivery of which will be secured by application of General Preference Order No. M-29 will be diverted to uses other than prescribed by the order.

Date..... ....
(Signature of Authorized Official) (Title)

Section 35(A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Vf·6,015. Form PD-9C—allocation of tungsten application for metallic and non-metallic uses.

PD-9C
1/2/42

Application for Allocation of Tungsten for Metallic and Non-Metallic Uses as Defined in Order M-29 for Delivery During the Month of.....

Prepare in quadruplicate for each supplier with whom you are placing an order for delivery during the month for which application is made. Submit one (1) copy, to serve as notification, to the company named therein. Forward three (3) copies with PD-9A or 9B to the Priorities Division, Office of Production Management, Social Security Building, Washington, D. C. After execution by the Office of Production Management, one copy will be forwarded to the supplier named.

Name of Applicant ..... Address .....
Company to whom this request is directed:
Name ..... Address .....

Materials Requested (Name)	Contained Tungsten (Pounds)	*Do Not Execute* Quantity Allocated (Pounds)
Total		

Authorization

The Director of Priorities of the Office of Production Management hereby allocates for the month specified, in amounts as designated above and authorizes the delivery of such materials pursuant to General Preference Order M-29.

Date ..... Signed .....
Director of Priorities.

Vf·6,016. Form PD-209B—allocation application of vanadium.

PD-209B
1/2/42

Application for Allocation of Vanadium Pursuant to M-23-a for Delivery During the Month of.....

Prepare in quadruplicate for each supplier with whom you are placing an order for delivery during the month for which application is made. Submit one (1) copy, to serve as notification, to the company named therein. Forward three (3) copies with PD-209A to the Priorities Division, Office of Production Management, Social Security Building, Washington, D. C. After execution by the Office of Production Management, one (1) copy will be forwarded to the supplier named.

Name of Applicant ..... Address .....
Company to whom this request is directed:
Name ..... Address .....

Materials Requested (Name)	Grade	Contained Tungsten (Pounds)	*Do Not Execute* Quantity Allocated (Pounds)
Total, ...		.....	

Authorization

The Director of Priorities of the Office of Production Management hereby allocates for the month specified in amounts as designated above and authorizes the delivery of such materials pursuant to General Preference Order M-23-a.

Date ..... Signed .....
Director of Priorities.

Copyright, February 3, 1942, The Research Institute of America, Inc.

Vf·6,017. Form PD-209A—vanadium consumption report and allocation requests.

PD-209A
1/2/42

THIS FORM WILL BE HELD IN THE FILES OF THE OFFICE OF PRODUCTION MANAGEMENT

REPORT OF VANADIUM CONSUMPTION AND REQUESTS FOR ALLOCATION PURSUANT TO ORDER M-23-a
FOR DELIVERY DURING THE MONTH OF _____

Prepare this form in duplicate. Forward one (1) copy to the Priorities Division, Office of Production Management, Social Security Building, Washington, D. C. This application must be filed on the 20th day of the month preceding the month for which application is made. File form PD-209B with this application.

Name of Applicant _____ Address _____

Note: Parts I and II refer to the month preceding the month for which this application is filed. Estimate as of the last day of the month.

Part I. - INVENTORY AND CONSUMPTION OF VANADIUM FOR THE MONTH OF _____

	Inventory End of Previous Month		Received During Month		Consumed During Month		Inventory End of Month	
	Gross Weight (Net Tons)	Contained Vanadium (Pounds)	Gross Weight (Net Tons)	Contained Vanadium (Pounds)	Gross Weight (Net Tons)	Contained Vanadium (Pounds)	Gross Weight (Net Tons)	Contained Vanadium (Pounds)
	A		B		C		D	
1. Ore and Concentrates								
Vanadium Pentoxide:								
2. Grade								
3. Grade								
Ferro-Vanadium:								
4. Grade								
5. Grade								
6. Grade								
7. Other (Specify):								
8.								
Vanadium Bearing Scrap:								
9. Own Plant								
10. Purchased								
11. Chemical Compounds (Specify):								
12.								
13. Other (Specify):								
14.								

Note: Column A plus Column B minus Column C should equal Column D.

Part II. - ESTIMATED INVENTORY OF FINISHED, SEMI-FINISHED AND IN-PROCESS PRODUCTS CONTAINING VANADIUM AS OF THE END OF THE MONTH OF _____
Gross Weight _____ lbs.
Contained Vanadium, _____ lbs.

Note: Parts III and IV refer to the month for which delivery is requested in this application.

Part III. - PROPOSED CONSUMPTION OF VANADIUM BY TYPES OF PRODUCTS FOR MONTH OF _____
(USE AN ADDITIONAL SHEET, IF NECESSARY, IN ORDER TO INDICATE ALL THE USES WHICH YOU CONSIDER IMPORTANT.)

Classes of Products (Enter Any Other Classes Not Listed Below)	Specific Use (Enter Names Of Products Or Parts Produced. Do Not Report Separate Figures For Each Use.)	Net Weight Of Melts (Short Tons)	Contained Vanadium (Pounds)	% Of Melt Covered By Preference Ratings		
				AA, A-1-a A-1-k	A-2, A-3 ....A-10	B-1, B-2 ..... B-10
1. Cutting Tools: Class A, High Speed	XXX					
2. Cutting Tools: Class B, High Speed	XXX					
3. Cutting Tools: Other						
4. Punches, Bits, Shear Blades, Knives, Impact Dies and Drills						
5. Machine Tool Structural Parts						
6. Ordnance Materials: Castings, Forgings, Etc.						
7. Armor Plate for Tanks	XXX					
8. Hulls and Deck Plates for Navy	XXX					
9. Shipbuilding Parts: Other Navy, Maritime Commission						
10. Aircraft Parts						
11. Locomotive and Railroad Castings and Forgings (Driving Rods, Yokes, Springs, Axles, etc.)						

(Continued on following page)

Part III - Continued

Classes of Products (Enter Any Other Classes Not Listed Below)	Specific Use (Enter Names Of Products Or Parts Produced. Do Not Report Separate Figures For Each Use.)	Net Weight Of Melts	Contained Vanadium	% Of Melt Covered By Preference Ratings		
				AA, A-1-a ...A-1-k	A-2, A-3 .... A-10	B-1, B-2 .... B-10
Steel, Copper and Aluminum Plant Equipment:		(Short tons)	(pounds)			
12. Hot Work Steels	XXX					
13. Cold Work Steels	XXX					
14. Rolling Mill Rolls and Guides	XXX					
Other(Specify):						
15.						
16.						
17. Road Machinery, Shovels and Cranes: Structural Parts						
18. Diesel and Heavy Engine Parts						
Automotive Parts:						
19. Springs	XXX					
20. Gears	XXX					
21. Valves	XXX					
22. Structural Parts						
23. Other Automotive Engine Parts						
Other Classes of Products						
24. (Specify)						
25.						
26.						
27.						
28.						
TOTAL	XXX					

PART IV - Vanadium Available and Net Requirements of Additional Supplies for Delivery During the Month of _____

Vanadium Materials	SOURCE OF SUPPLY							(DO NOT EXECUTE)
	From Inventory 1/	Requested For Delivery During Month 2/ (Enter names of suppliers at top of columns) (1)	(2)	(3)	(4)	Total (B,C,D & E)	Total Supply A + F	Quantity Alloted
	(pounds of Contained Vanadium)							
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Ore and Concentrates								XXX
Vanadium Pentoxide: (Specify grade)								
Ferro Vanadium: Grade								
Grade								
Grade								
Other (Specify):								
Revert Scrap		XXXX	XXXX	XXXX	XXXX	3/		XXXX
Purchased Scrap		XXXX	XXXX	XXXX	XXXX	4/		XXXX
Chemical Compounds								
Other (Specify):								
TOTAL								

1/ Your estimate of the amount which can be used without depleting your minimum working inventory.
2/ Submit three(3)copies of Form PD209B for each supplier to whom requests are directed to obtain above amount.
3/ Enter revert scrap which will become available during month.
4/ Enter purchased scrap to be delivered during month.

Section 35 (A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

CERTIFICATE

The undersigned applicant hereby certifies to the Director of Priorities that: (1) he executed the foregoing report on behalf of and by authority of the above named applicant; (2) the facts stated above are, to the best of his knowledge and belief, true and correct; (3) the estimates of requirements of contained Vanadium have been arrived at from the books and records of the applicant and have been determined in a reasonable and prudent manner; (4) that none of the contained vanadium, delivery of which will be secured by application of General Preference Order No. M-23-a will be diverted to uses other than prescribed by the order.

_____ (Date) _____ (Signature of Authorized Official) _____ (Title)

Copyright, February 3, 1942, The Research Institute of America, Inc.

Vf·6,018. Amendment No 2 to Schedule No. 43 limits ceilings to three classes and revises prices. Price Schedule No. 43 for used steel barrels and drums was radically revised by formal Amendment No. 2 effective February 2, 1942:

(1) The price ceilings are limited to three classifications: 50 to 58 gallons; 29 to 33 gallons; 14 to 16 gallons.

(2) The definition of a reconditioned drum has been tightened while the premium applicable to lacquer-relined and baked drums has been extended to any drums suitable for use as food drums.

(3) Buyers are permitted a deduction from selling price of raw drums if they make their own pickups from dealers.

Vf·6,019. Amendment No. 2 to Price Schedule No. 43—used steel barrels or drums.

Section 1306.204 is hereby revoked and Sections 1306.201, 1306.208 and 1306.210 are hereby amended to read as follows:

Sec. 1306.201 **Maximum Prices for Used Steel Barrels or Drums.**

On and after December 1, 1941, regardless of the terms of any contract of sale or purchase, or other commitment, no person shall sell, offer to sell, deliver or transfer, used steel barrels or drums, and no person shall buy, offer to buy, or accept delivery of used steel barrels or drums at prices higher than the maximum prices set forth in Appendix A hereof, incorporated herein as Sec. 1306.210.

Sec. 1306.208 **Definitions.**

When used in this Schedule, the term:

(a) "person" includes an individual, partnership, association, corporation, or other business entity, as well as executors, trustees in bankruptcy, receivers, and other court-appointed officers;

(b) "user" means a person who uses a drum as a container for the shipment or storage of goods;

(c) "drum" means a steel barrel or drum of a capacity of 14 to 16 gallons, inclusive, or 29 to 33 gallons, inclusive, or 50 to 58 gallons, inclusive;

(d) "raw used drum" means a drum which has been emptied but which is not a reconditioned drum;

(e) "reconditioned drum" means a raw used drum which has been both washed and painted, and also subjected to any and all other process or processes necessary to make the raw used drum fit for reuse as a container, *except that*, in the case of a raw used drum, which is galvanized, painting is not necessary to constitute such galvanized drum a "reconditioned drum" within the meaning of this Schedule.

Sec. 1306.210 **Appendix A. Maximum Prices for Used Steel Barrels or Drums.**

(a) *Maximum prices for reconditioned drums.* The maximum prices for a reconditioned drum, delivered to the purchaser, shall be as follows:

14 to 16 gallons, inclusive	$1.45
29 to 33 gallons, inclusive	1.85
50 to 58 gallons, inclusive	2.25

Additional charges. Charges per drum in addition to the above may be made as follows:

(1) Where a reconditioned drum is delivered in excess of 50 miles from the shipping point, the lower of the following alternative charges may be added:

(a) Actual cost of transportation from the shipping point, or

(b) For each 75 miles or fraction thereof in excess of 50 miles from the shipping point:

14 to 16 gallons, inclusive	5 cents
29 to 33 gallons, inclusive	7½ cents
50 to 58 gallons, inclusive	10 cents

(2) Where a raw used drum is reconditioned and delivered in the States of California, Washington and Oregon:

14 to 16 gallons, inclusive	15 cents
29 to 33 gallons, inclusive	25 cents
50 to 58 gallons, inclusive	50 cents

(3) Where a drum which is lined has been reconditioned so that it is suitable for use as a food container without any further reconditioning process and is sold for use as a food container:

14 to 16 gallons, inclusive	15 cents
29 to 33 gallons, inclusive	20 cents
50 to 58 gallons, inclusive	25 cents

(b) *Maximum prices for raw used drums purchased direct from the person who empties the drums.* The maximum price for a raw used drum purchased direct from the person who empties the drum, f.o.b. the place where the drum is emptied, shall be as follows:

14 to 16 gallons, inclusive	$ .75
29 to 33 gallons, inclusive	1.00
50 to 58 gallons, inclusive	1.25

provided that a charge per drum in addition to the above may be made where the raw used drum is purchased and delivered in the States of California, Washington and Oregon as follows:

14 to 16 gallons, inclusive	10 cents
29 to 33 gallons, inclusive	20 cents
50 to 58 gallons, inclusive	40 cents

(c) *Maximum prices for raw used drums other than in paragraph (b).* The maximum prices for a raw used drum, delivered to the purchaser, other than those purchased direct from the person who empties the drum, shall be as follows:

14 to 16 gallons, inclusive	$1.00
29 to 33 gallons, inclusive	1.30
50 to 58 gallons, inclusive	1.60

(i) Provided, That where a raw used drum is picked up by the purchaser a deduction shall be made from the above as follows:

14 to 16 gallons, inclusive	5 cents
29 to 33 gallons, inclusive	7½ cents
50 to 58 gallons, inclusive	10 cents

and (ii) *Provided further,* That a charge per drum in addition may be made where the raw used drum is purchased and either delivered or picked up in the States of California, Washington and Oregon as follows:

14 to 16 gallons, inclusive	10 cents
29 to 33 gallons, inclusive	20 cents
50 to 58 gallons, inclusive	40 cents

This amendment No. 2 shall become effective February 2, 1942.

Issued this 30th day of January, 1942.

LEON HENDERSON, *Administrator*

Vf·6,020. Export margins provided by Amendment No. 1 to Price Schedule No. 49. In order to facilitate export of iron and steel products to South America, Price Schedule No. 49 was amended:

(1) "Export Agents," that is exporters who do not take title to the goods and do not assume a risk of loss, may add 5% to the domestic maximum price as established by Schedules Nos. 49 and 6.

(2) "Export Merchants," that is exporters buying for their own account taking title to the goods and assuming all risks of loss, may add 10% to this domestic price.

(3) These margins may be taken only by an

Copyright, February 11, 1942, Research Institute.

export agent or export merchant, not by both, and may not be shared with domestic sellers or intermediaries. These maximum export prices may not be increased for any reason. Should these margins in any one case be insufficient to cover foreign costs, application for relief may be made to OPA.

Vf·6,021. Amendment No. 1 to Price Schedule No. 49—resale of iron and steel products.

Sec. 1306.157 is amended by adding two new paragraphs (p) and (q) and 1306.159 paragraph (e) is amended to read as set forth below:

Sec. 1306.157 **Definitions.**

(p) "Export agent" means any exporter who acts directly for a foreign purchaser in a sale between any seller in the United States and such foreign purchaser, and who does not (1) take title to the goods being exported, or (2) assume a risk of loss because of demurrage, failure to secure shipping space, or otherwise.

(q) "Export merchant" means any exporter who acts as a principal, directly to a foreign customer, and (1) buys for his own account, and (2) takes title to the goods directly or through an agent and (3) assumes all risks of loss because of demurrage, failure to secure shipping space, damage to the merchandise, or otherwise.

Sec. 1306.159 **Appendix A. Domestic and Export Maximum Prices for Iron and Steel Products.**

(e) *Maximum prices for Exports of Iron or Steel Products.*

(1) The maximum prices which may be charged by any person for iron or steel products sold for export to any place outside the territorial limits of the United States, shall be the maximum prices, as established by this Schedule (Sections 1306.151 to 1306.161 inclusive) and Price Schedule No. 6, f.o.b. inland carrier or warehouse at port of exportation: *Provided,*

(i) That if such a sale is made by an export agent, as defined hereinabove, an amount may be added not in excess of 5% of the maximum domestic price as established in this Schedule.

(ii) That if such a sale is made by an export merchant, as defined hereinabove, an amount may be added not in excess of 10% of the maximum domestic price as established in this Schedule.

(iii) Other export merchants who customarily incur additional foreign costs or expenses in excess of those borne by the export merchant, as defined hereinabove, may apply to the Office of Price Administration for exception, stating reasons why an additional amount should be allowed. The application shall be in the form of an application for relief.

(2) The maximum export price as set forth above in subparagraph (ii) shall include and shall not be increased by reason of any fees, commissions, or expenses, including commissions paid to other intermediaries, whether domestic or foreign, demurrage, storage charges, inspection fees, interest or financing charges, or other expenses connected with the transaction. The maximum price as so computed shall not be increased in any c.i.f. price except to the extent of insurance, ocean freight, and consular charges.

(3) The above margins over domestic maximum prices may be taken only by an export agent or export merchant, and not by both, and shall not be shared by any such person with any domestic seller, broker, agent, or other intermediary.

This amendment No. 1 shall become effective January 30, 1942.

Issued this 30th day of January, 1942.

LEON HENDERSON, *Administrator.*

Vf·6,022. Strip mill gauge list under Allocation Order No. 1. With reference to the plan discussed at ¶s Vf·6,005–6 for greater use of continuous strip mills for the production of plates, the head of the Iron and Steel Branch of the WPB on January 26, 1942 asked strip mills to insist that orders on their books be changed even by redesigning, if necessary, to permit sizes and quantities which can be rolled on continuous strip mills. Future orders should be carefully investigated to make certain whether or not they can be changed to permit production on strip mills. To inform strip mill producers as to gauges and widths of plates which can be made on continuous strip mills, a list was prepared. Strip mills should be guided by this list in the preparation of their recommendations to the Plate and Shape Unit as to the items now on their orders which can be transferred to continuous strip mills.

Strip Mill Gauge and Width List

	Max. Gauge inches	Max. Width inches
American Rolling Mill		
80″ at Middletown, Ohio	¼	60
58″ at Ashland, Ky	⅜	51
Bethlehem Steel Co.		
56″ at Sparrows Pt., Md	¼	48
79″ at Lackawanna, N. Y	¾	72
Carnegie-Illinois		
80″ at Dravosburg, Pa	⅜	73
80″ at Gary, Ind	⅜	73
38″ at Gary, Ind	⅝	30
43″ at McDonald, Ohio	⅜	36
Great Lakes Steel Co.		
96″ at Ecorse, Mich	⅜	90
34″ at Ecorse, Mich	⅜	30
Inland Steel Co.		
76″ at Indiana Harbor, Ind	⅝	72
44″ at Indiana Harbor, Ind	½	42
Jones & Laughlin Steel Corp.		
96″ at Pittsburgh, Pa	⅝	90
Otis Steel Co.		
77″ at Cleveland, Ohio	¾	72
30″ at Cleveland, Ohio	½	26
Republic Steel Co.		
98″ at Cleveland, Ohio	⅝	90
42″ at Warren, Ohio	¾	36
14″ at Warren, Ohio	1½	11
Wheeling Steel Corp.		
60″ at Steubenville, Ohio	¼	48
Youngstown Sheet & Tube Co.		
79″ at Youngstown, Ohio	¾	72
54″ at E. Chicago, Ind	5/16	48

Compiled January 24, 1942. Minimum quantity per item desired for strip mill production—10 tons.

Copyright, February 27, 1942, Research Institute.

Vf·6,023. Form PD-53B—monthly application for chromium shipments and statement of stocks and consumption.

Form PD-53B
(Rev. 1-10-42)

WAR PRODUCTION BOARD

MANGANESE—CHROME BRANCH

WASHINGTON, D. C.

CONFIDENTIAL
For Use of
Federal Government
Defense Agencies Only

For Office Use Only

Company No.				
Plant No.				

(Name of company) _____ (Plant—name and location) _____

PLEASE SEE INSTRUCTIONS ON REVERSE SIDE OF THIS SHEET

Schedule II.—Applications for Chromium for **March** Shipment and Statement of Stocks and Consumption

(Report all Figures in Pounds of Contained Chromium)

	Item No.	Actual consumption in January	Stocks on hand January 31	Estimated consumption for Entire Month of February	Estimated Stocks as of February 28	Estimated Consumption in March, Classified by Preference Ratings				Requested from Producer for March Shipment	Not to be Filled out by applicant (For Office Use Only)
						AA Through A-10 Supported by Certificates actually in your possession	AA Through A-10 rating obtained from P endorsement orders, not by actual certificates	All Other	Total		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
I. A. Chromium Metal	01										
B. Ferrochrome:											
1. Low Carbon:											
(a) Max. .06 percent carbon	06										
(b) Max. .10 percent carbon	10										
(c) Max. .15 percent carbon	15										
(d) Max. .20 percent carbon	20										
(e) Max. .50 percent carbon	50										
(f) Max. 1.00 percent carbon	51										
(g) Max. 2.00 percent carbon	52										
2. High Carbon (over 4.00 percent carbon)	54										
3. Chromium briquets (not refractories)	55										
4. Other (specify)	59										
C. Chrome-x	60										
1. Low carbon	61										
2. High carbon	62										
D. Ores and Concentrates (not for refractory uses)	70										
E. Other (specify)	99										
TOTAL CONTAINED CHROMIUM											

II. ESTIMATED TOTAL CHROMIUM REQUIREMENTS (Pounds contained chromium) during: April _____; May _____; June _____

The undersigned hereby certifies that he executed the foregoing report on behalf of, and by authority of, the above-named _____ and that all of the facts set forth above are true to the best of his knowledge and belief.

Signature of authorized individual _____

Title _____ Date _____

(Section 35 (a) of the United States Criminal Code, 18 U. S. C. A. 80, Makes it a Criminal Offense to Make a False Statement or Representation in any Matter Within the Jurisdiction of any Department or Agency of the United States)

Instructions for Schedule II

General:

This schedule *must* be filled out by all consumers of chromium, ferrochrome, or other chromium-bearing materials, including chrome ores, concentrates, briquettes, chrome-x, etc. (but excluding chrome refractories and chrome chemicals).

This schedule *must* be mailed not later than the twentieth (20) day of the month preceding the month in which the material requested is to be shipped to you. Failure to file this form as directed will force the War Production Board to instruct all producers to discontinue further shipments to companies failing to comply.

A separate Schedule II should be prepared for each plant controlled by you, and a summary form covering all plants so controlled.

The original of Schedule II and one copy should be sent directly to the Manganese-Chrome Branch, Washington, D. C. Send one copy of Schedule II (but not Schedule I, PD-53A) for each plant controlled by you, as well as a summary form filled out as directed below to each of your suppliers (note explanation under Col. 11).

Report All Data in Terms of Contained Chromium

Column 1.—This column should give a detailed breakdown of your actual consumption for the entire month of January.

Column 2.—Show in this column your actual inventories owned or controlled by you of chromium, ferrochrome, or other chromium-bearing materials as of January 31, 1942.

Column 3.—Report your best estimates of your consumption for the entire month of February. Estimates should be made only for that portion of the month not yet completed at the time this schedule is submitted.

Column 4.—Report in this column your best estimates of the stocks of chromium that you expect to have on hand as of February 28.

Columns 5, 6, and 7.—In these columns you are to give a detailed breakdown of your estimated consumption of chromium in March, classified according to preference ratings. In classifying your anticipated March shipments you are to follow the designations given in General Preference Order M-18, as amended August 22, 1941. Column 5, for example, should include chromium requirements for orders that are supported by actual preference rating certificates of AA through A-10 actually in your possession. This should exclude requirements for defense orders to which preference ratings of AA to A-10 are assigned by P endorsement orders not by actual certificates. All requirements involved in orders of this type should be reported in Column 6.

Column 9.—Show in this column the amount of chromium which you estimate you will require from your suppliers during March. All copies of this schedule which are sent to the War Production Board should show the total amounts of chromium you are requesting from all of your suppliers for March shipment. On your forms that are to be sent to your suppliers, the figures in this column should cover only that portion of your March requirements that you are requesting from the particular supplier to whom the request is sent.

Vf·6,024. Chromium melting placed under WPB control in Amendment No. 2 to M-18-a.

Effective February 4, 1942, all persons are prohibited from melting chromium except on specific authorization of the Director of Industry Operations. The amendment embodying this provision was issued February 4, 1942, and makes further changes in M-18-a regarding filing of application for chromium by persons desiring delivery. The date of filing was changed from the 25th of each month to the 20th, at which time a report on Form PD-53a must also be made to WPB.

Amendment No. 2 to General Preference Order M-18-a to Conserve the Supply and Direct the Distribution of Chromium

Sec. 949.2 **(General Preference Order M-18-a),** issued November 28, 1941, as heretofore amended on January 13, 1942, is hereby further amended to read as follows:

Whereas it is found that the increasing national defense requirements, including the need for adequate reserves occasioned by the uncertainty of future shipments from abroad, of chromium (as hereinafter defined) have created a shortage in the supply of chromium for defense, for private account, and for export, and it is necessary in the public interest and to promote the defense of the United States to supplement by further measures the action heretofore taken to conserve the supply and direct the distribution thereof;

Now, therefore, it is hereby ordered, That:

Sec. 949.2 **General Preference Order M-18-a.** (a) *Definitions.* For the purposes of this order:

(1) "Chromium" means and includes:

(i) Chromium ores or concentrates;

(ii) The element chromium in pure form, ferrochromium, chrome-x, chrome briquettes, and other combinations of the element chromium with other elements in semi-manufactured or manufactured form, commercially suitable for use in the manufacture of steel or for other metallurgical purposes;

(iii) All chemical combinations having chromium as an essential and recognizable component;

(iv) Those products containing chromium known commercially as refractories or refractory materials;

(v) All scrap or secondary material containing chromium as defined in (i), (ii), and (iii) above.

(2) "Producer" means any person who mines or otherwise produces natural materials containing recoverable quantities of chromium.

(3) "Processor" means any person who uses ores or concentrates for the manufacture of, or converts them into chromium chemicals, chromium refractories, or metallurgical forms of chromium.

(4) "Dealer" means any person who procures chromium either by importing or from domestic sources for sale without change in form, whether or not such person receives title to or physical delivery of the material, and includes selling agents, warehousemen, and brokers.

(b) *Applicability of Priorities Regulation No. 1.* This order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this order shall govern.

(c) *Limitation on use of ore in chromium chemicals.* Unless otherwise ordered by the Director of Industry Operations, the aggregate chromium oxide content of ore which may be used by any processor in the manufacture of chromium chemicals during any calendar month shall be limited to 1/12 of the aggregate weight of such oxide content used in the manufacture of the total quantity of chromium chemicals delivered by such processor during the period from July 1, 1940 through June 30, 1941.

(d) *Restrictions on melting and directions for deliveries.* Hereafter no person shall melt any chromium except as specifically authorized by the Director of Industry Operations. The Director will from time to time specifically direct the quantities in which chromium may be melted for particular purposes by any person, and the manner and quantities in which deliveries shall be made to particular persons or for particular uses. Such directions will be made to insure the satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Industry Operations without regard to any preference ratings assigned to particular contracts or purchase orders. The Director of Industry Operations may also take into consideration the possible dislocation of labor, and the necessity of keeping a plant in operation so that it may be able to fulfill defense orders and essential civilian requirements. In making any deliveries of chromium with respect to which no specific directions have been issued by the Director of Industry Operations, each producer, processor, and dealer must give preference to defense orders as required by the provisions of Priorities Regulation No. 1, as amended from time to time, and must be

governed by any preference ratings assigned to particular contracts or purchase orders.

(e) *Application for chromium.* Unless otherwise ordered by the Director of Industry Operations, no processor or dealer shall make delivery of chromium, and no person shall accept such delivery unless not later than the 20th day of the month next preceding the month in which delivery is to be made, or at such other time as the War Production Board may determine, the person seeking such delivery shall have filed with the processor or dealer an application in the form prescribed by the Chromium Branch of the War Production Board, and shall have filed at the same time with the War Production Board a copy of such application. If the chromium for which application is made is in any of the forms specified in paragraph (a) (1) (ii) above, the person seeking delivery shall also file with the War Production Board, together with the copy of such application, a report on Form PD-53a or such other form as may be from time to time prescribed by the War Production Board. The Director of Industry Operations, in his discretion, from time to time, may issue specific directions exempting particular customers or classes of customers from the provisions of this paragraph (e) on the basis of the limited character of their requirements for chromium.

(f) *Violations or false statements.* Any person who willfully violates any provision of this order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this order, may be prohibited from receiving further deliveries of any material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under section 35 (A) of the Criminal Code (18 U.S.C. 80)

(g) *Communications to War Production Board.* All reports required to be filed hereunder, and all communications concerning this order, shall, unless otherwise directed, be addressed to the Chromium Branch War Production Board, Social Security Building, Washington, D. C., Reference: M-18-a.

(h) *General Preference Order M-18 revoked.* General Preference Order M-18, issued by the Director of Priorities July 7, 1941, as amended August 22, 1941, is hereby revoked.

(i) *Effective dates.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Industry Operations, shall expire on the 30th day of June 1942.

Issued this 4th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,025. Form PD-53A (revised 1/16/42)—monthly application for chromium required for melting.

Instructions for Schedule I

I. This schedule deals with the materials which must be melted during the month in order to meet the latest required delivery dates to your customers. All details relating to deliveries during the month that do not originate with material melted during the month are to be excluded.

The schedule must be mailed not later than the twentieth (20) day of the month preceding the month in which the material requested is to be shipped to you. Two copies should be returned to the Chrome Manganese Branch, War Production Board, Washington, D. C. Failure to file this form as directed will force the War Production Board to instruct all producers to discontinue shipments to companies failing to comply.

Group Orders According to the Carbon Content of the Alloy You Intend to Melt. For Example Orders Which Will Take Max. .06 Percent Carbon Should be Grouped Together, as Should Those Taking .10, .15 High Carbon, etc. Where You Combine Alloys Such as .20 and High Carbon, These Grades Must be Shown Separately. Do not Report That Certain Orders Will Require Two or More Alloys.

Two Important Factors of Allocation are Carbon Content and the Priority Rating of Each Order.

II. The following definitions and interpretations should be observed in completing the schedule:

Column 2—Customer's Name.—In showing the required information broken down by your customers, it is recognized that it may become necessary for you to include an item of "Miscellaneous Customers" to cover certain of your small accounts. If this is found necessary, the information under the heading "Miscellaneous Customers" should be placed as the last item in the schedule, followed by appropriate explanations of the reasons for this treatment, and of the basis you have used in allocating the amounts between the categories shown in columns 10 to 12.

It is permissible to group your orders by products, ultimate use, and priority rating. To illustrate, it would be entirely appropriate to report all orders for machine tool forgings carrying identical preference ratings.

Material which must be melted during the month for shipment to your own or distributors' warehouses should be grouped together and shown as representing warehouse shipments. The basis used in allocating the warehouse shipments between the categories shown in columns 10 to 12 should be stated.

Column 4.—Identify how rating originated whether PD-1, PD-2, PD-3, PD-4, PD-5, or P Order as P-100, P-56, etc.

Column 5.—Show actual certificate number if rating derived from PD-1; show actual Army or Navy contract if derived from PD-3; show actual Government contract number if derived from PD-4; show actual foreign contract number if derived from PD-5; show serial extension number if derived from "P" Orders.

Column 6—Priority Rating.—Indicate in this column the *specific* preference rating that has been assigned. This should be supported by actual preference rating certificates physically in your possession. Any information needed for this classification should be obtained from your customers. Whenever there is doubt as to the preference rating applicable to any delivery, the matter is to be referred to the Division of Priorities for determination, with a statement of pertinent facts.

Column 8—Ultimate Use.—State the specific ultimate use of the material. It is essential that you show the product to be made, and for what it is to be used. For example, if the material is requested for the manufacture of machine tool forgings, state for what purpose the forgings are to be used.

Column 9—Percent Chromium Contained.—Show the approximate percent of chromium contained in the material to be shipped to the customer.

Columns 10, 11, and 12—Melting Weight of Contained Chromium.—Show in these columns the melting weight (in terms of contained chromium) for each order listed. In order to assure uniform reporting, all consumers are directed to compute the information called for in these columns on the basis of the following formula:

$$\frac{\text{Lbs. Shipping weight (steel or iron)}}{\%\ \text{Ingot (or casting) yield}} = \text{Ingot (or casting) weight lbs.}$$

$$\text{Ingot (or casting) weight lb.} \times \text{Percent (\%) chromium content of ingot (or casting)} = \text{Lbs. contained chromium in ingots (or castings)}$$

$$\text{Lbs. contained chromium in ingots (or castings)} - \text{Lbs. Chromium from scrap (or/and ore if added for chromium content)} = \text{Lbs. chromium from alloys}$$

$$\frac{\text{Lbs. chrome from alloys}}{\text{chrome furnace efficiency (percent recovered)}} = \text{Lbs. chromium required (not ferrochrome)}$$

Copyright, February 27, 1942, Research Institute.

IRON, STEEL AND ALLOY METALS

"Lbs. chromium (not ferrochrome) required" from the definitions given in General Preference Order M-18, as amended August 22 and November 1, 1941.

above calculations is the figure that should be recorded in *Column 13—Delivery date required.*—Show the latest date the columns 10 to 12, inclusive.

In classifying the melting weights, you are to follow the by which you must deliver in order to meet commitments to your customers.

FD-802 A
(Revised 1-30-42)

War Production Board

Manganese—Chrome Branch

Washington, D. C.

CONFIDENTIAL
For Use of
Federal Government
Defense Agencies Only

(Name of company) _____ (Plant—name and location) _____

➡ SEE REVISED INSTRUCTIONS ON REVERSE SIDE OF THIS SHEET

Not To Be Filled Out By Applicant

Company No. | | |

Plant No. | | |

Schedule I.—Detailed Application for Chromium Required for Melting During Month of March 1942

(To be mailed not later than February 20)

Not to be Filled Out by Applicant — For Office Code Use Only	Customer's Name	(Our) Order No.	Identify type of Preference Rating Certificate: Example, P. D. 1 or P. 100, etc.	Actual Certificate Number, Serial Extension Number, Army or Navy Contract Number	Priority Rating	Not to be Filled Out by Applicant — For Office Use Only	Ultimate Use (Be Specific: State "Gears for Tanks", not Merely "Gears")	Percent Chromium in Finished Steel	Melting Weight of Contained Chromium (Report in Pounds)			Delivery Date Required
									AA-A-10 Supported by Certificates Actually in Your Possession	AA-A-10 Ratings Obtained from "P" Endorsement Orders, Not by Actual Certificates	All Other	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
NO ALLOCATION OF CHROMIUM CAN BE MADE UNLESS ORDERS ARE GROUPED ACCORDING TO THE CARBON CONTENT OF THE ALLOYS YOU INTEND TO MELT												

Vf·6,026. Amendment of February 7 of Order M-39 puts all cobalt under allocation. An amendment was issued on February 7, 1942 to General Preference Order M-39 placing cobalt in all forms under an allocation system. Previously, only metallic cobalt and chemicals to be processed into metal were allocated.

General Preference Order M-39—to conserve the supply and direct the distribution of cobalt.

(As Amended February 7, 1942)

Section 987.1 is hereby amended to read as follows:

(See ¶ R·610, I)

Now therefore, it is hereby ordered that:

Sec. 987.1 **General Preference Order.** (a) *Definitions.* For the purposes of this order:

(1) "Cobalt" means and includes:

(i) Ores, concentrates, crudes, and residues, including beneficiated or treated forms containing cobalt (commercially recognized).

(ii) The element cobalt in any form, and combinations with other elements in which cobalt is an essential constituent.

(iii) All chemical compounds in which cobalt is an essential and recognizable component.

(iv) All scrap or secondary material containing commercially recoverable cobalt as defined in (i), (ii) and (iii) above, excluding cobalt-bearing iron and steel scrap.

(b) *Applicability of Priorities Regulation No. 1.* (See ¶ R·610, II)

(c) *Restrictions on Deliveries.*

(1) *Allocations.* (See ¶ R·610, VI)

(2) *Reports.* (See ¶ R·610, VII) May receive deliveries during any calendar month up to but not exceeding an aggregate of 50 pounds contained cobalt without filing the reports required by this paragraph. Failure by any person to file a report in the manner and on the date required by this paragraph may be construed as notice to the Director of Industry Operations and to all suppliers of cobalt that such person does not desire an allocation of cobalt during the period to which such report would have been applicable.

(d) *Violations.* (See ¶ R·610, VIII)

(e) *Communications to War Production Board.* (See ¶ R·610, X) Cobalt Branch, War Production Board, Social Security Building, Washington, D. C., Reference: M-39.

(f) *Revocation of Supplementary Order M-39-a.* Supplementary Order M-39-a, issued by the Director of Priorities December 5, 1941, is hereby revoked.

(g) *Effective Date.* This order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Industry Operations, shall expire on the 30th day of June, 1942.

Issued this 7th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,027. Order M-39-b prohibits cobalt pigment use. Order M-39-b prohibits the use of cobalt in all pigments after May 1, 1942, and restricts its use until that time to 40% of the amount used in the first six months of 1941. Items made of cobalt not covered by the prohibition are restricted until March 31 to 23% of the amount used in the first six months of 1941, and after that date to 35% in any calendar quarter. A number of exceptions are made. These include military orders and orders from certain other government agencies, on ratings of A-1-j or higher, and for the following uses: chemical catalysts, cattle and plant food, chemical reagents, cobalt alloys of all kinds, decolorizer for glass, dryers, ground coat frit, hard facing compounds, laboratory and research equipment, pharmaceuticals, plating, and health supplies.

Conservation Order No. M-39-b curtailing the use of cobalt in certain items.

(See ¶ R·610, I)

Now, therefore, it is hereby ordered that:

Sec. 987.3 **Conservation Order.** (a) *Prohibition on Use of Cobalt in Articles Appearing on List A.*

(1) Between February 1 and April 30, 1942, inclusive, no person shall use in the manufacture of any item on List A more cobalt than 40% of the cobalt used by him for such item during the first six months of 1941.

(2) Effective May 1, 1942, no cobalt shall be used in the manufacture of any item on List A.

(b) *Limitation on All Other Uses of Cobalt.*

(1) Between February 1 and March 31, 1942, inclusive, no person shall use in the manufacture of any article not covered by paragraphs (a) or (c) of this order more cobalt than 23% of the cobalt used by him for such article during the first six months of 1941.

(2) Beginning April 1, 1942, no person shall use during any calendar quarter in the manufacture of any article not covered by paragraphs (a) or (c) of this order more cobalt than 35% of the cobalt used by him for such article during the first six months of 1941.

(c) *General Exceptions.* Where and to the extent the use of any less scarce material is impracticable, the prohibitions, limitations and restrictions contained in paragraphs (a) and (b) shall not apply to the use of cobalt in the manufacture of any item, or for any of the uses set forth on List B attached, nor in the manufacture of any item which is being produced: (See ¶ R·610, XX, 1, 2)

(3) with the assistance of a preference rating of A-1-j or higher.

(d) *Prohibitions Against Sales or Deliveries.* (See ¶ R·610, XIII)

(e) *Limitation of Inventories.* (See ¶ R·610, XIV)

(f) *Miscellaneous Provisions.*

(1) *Applicability of Priorities Regulation No. 1.* (See ¶ R·610, II)

(2) *Appeal.* (See ¶ R·610, IX) May appeal to the War Production Board, Reference M-39-b.

(3) *Applicability of Order.* (See ¶ R·610, X)

(4) *Violations or False Statements.* (See ¶ R·610, XIII)

(5) *Definitions.* For the purposes of this Order:

(i) "Cobalt" means and includes:

(a) Ores, concentrates, crudes and residues, including beneficiated or treated forms containing cobalt (commercially recognized).

(b) The element cobalt in any form, and combination with other elements in which cobalt is an essential constituent.

(c) All chemical compounds in which cobalt is an essential and recognizable component.

(d) All scrap or secondary material containing commercially recoverable cobalt as defined in (a), (b), and (c) above, excluding cobalt-bearing iron and steel scrap.

(ii) "Inventory" of a person includes the inventory of affiliates and subsidiaries of such person, and the inventory of others where such inventory is under the control of or under common control with or available for the use of such person.

(iii) "Manufacture" means to fabricate, assemble, mix or process in any other way, but does not include installation of a finished product for the ultimate consumer.

(iv) "Item" means any article or any component part thereof.

(v) "Use" means both (1) the act of putting cobalt into process in the manufacture of any item, and (2) the act of completing the manufacture of any such item. (Where a person is limited to a percentage of the material used in a base period, this limitation applies respectively to (1) the amount

Copyright, February 27, 1942, Research Institute.

of material put into process during the base period and (2) the total amount of material contained in a completed item multiplied by the number of such items completed during the base period. Each restriction must be applied separately).

(vi) "Put into Process" means the first change by a manufacturer in the form of material from that form in which it is received by him.

(6) *Effective Date.* This Order shall take effect upon the date of issuance and shall continue in effect until revoked by the Director of Industry Operations.

Issued this 7th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

LIST A

The use of cobalt in the items listed below and in all component parts thereof is prohibited except to the extent permitted by the foregoing Conservation Order.

Pigments in any form for any use whatsoever—including
Ceramics
Glass
Enamelware
Inks
Paints
Stains
Pottery
except where blue glass is necessary for safety or optical properties.

LIST B

The uses, and the items listed below and parts thereof are excepted from the prohibitions and restrictions contained in paragraphs (a) and (b) of the foregoing Conservation Order, but only to the extent indicated below and only to the extent that the use of any less scarce material is impractical.

Catalysts
Cattle and Plant Food
Chemical Reagents
Cobalt alloys of all types including cobalt alloy steels, all types cobalt magnet steel and alloys, cobalt non-ferrous alloys, hard cutting alloys, all types
Decolorizer for glass
Dryers
Ground Coat Frit
Hard Facing Compounds
Laboratory and Research Equipment
Pharmaceuticals
Plating
Pigment for glass wherever needed for optical or safety purposes
Health Supplies (as defined in Preference Rating Order P-29 as the same may be amended, to the extent a preference rating of A-10, or higher, is assigned under said Order for the delivery of Cobart in the manufacture of any such supplies)

Vf·6,028. Report requirements under Price Schedule No. 49. Interpreting the requirement that sellers having annual gross sales of $100,000 or more file prices with OPA, the Price Administrator ruled that this applies to sellers whose total annual gross sales of all products reach the specified amount even though some of the products sold are not in the iron and steel group. This is necessary, it was stated, because of the difficulty, if not impossibility, of segregating sales of such a producer.

Vf·6,029. Mill depot under Price Schedule No. 6. An official interpretation by OPA states that if a selling company operates as a mill depot and not as a warehouse or active jobber, dealer or distributor, Price Schedule No. 6 and not Price Schedule No. 49 is applicable.

Vf·6,030. Automobile scrap buyers' report. All automobile scrap buyers' reports are to be filled out in quadruplicate. The original is to be returned to the Automobile Graveyard Section, Bureau of Industrial Conservation, War Production Board, Washington, D. C., immediately; the duplicate likewise; the triplicate copy is to be retained by the buyer or bidder; and the quadruplicate copy is to be given to the graveyard owner.

War Production Board

Bureau of Industrial Conservation
Automobile Graveyard Section

Automobile Scrap Buyers' Report

This copy is to be returned to the Automobile Graveyard Section, Bureau of Industrial Conservation, War Production Board, Washington, D. C., immediately.

Name of auto graveyard.....Address .....
City or Town.....County..... State.....
Owner's Name .....Manager's Name .....
Cars—complete or partially disassembled:
Estimated Number .....
Number Bought .....
Loose scrap exclusive of cars complete or partially disassembled:
Estimated Net Tons.....
Net Tons Bought.....

(Continued on next page)

Fill this in only if purchase is *not* made.

Cars—complete or partially disassembled

Price per net ton "where is" bid and asked for resulting iron and steel scrap before cutting up and scrapping costs. Fill in either A or B, not both.

A

	Bid	*Asked*
Mixed Scrap—Per net ton	.....	.....

B

	Bid	*Asked*
Steel Scrap—per net ton	.....	.....
Motor Blocks—per net ton	.....	.....
Body and Fender Scrap—		

Certification

The undersigned certifies that the information contained in this report is complete and correct to the best of his knowledge and belief.

Buyer:

Signature .....

Title..... Firm.....

Address .....

Note to Buyer or Bidder: Write any comments on reverse side.

Section 35(A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Vf·6,031. Form PD-150 made applicable to any month. PD-150 has been amended to the effect that the word "October" is removed throughout. The order in its amended form is applicable to any month. Copies must now be filed on the 15th of the month following the month covered by the report whereas in the original order the 20th of November was designated as the date of filing (note small box on first page). All copies of the amended order must be signed.

Vf·6,032. Form PD-264—iron and steel scrap allocation.

PD-264—1/21/42

Date.....

Iron and Steel Scrap Allocation Order No.....

To..... .....
(Seller) (Address)

Pursuant to General Preference Order M-24, you are hereby directed to make deliveries of iron and steel scrap in accordance with the following directions. In cases where the customer has already placed an order with you, the customer's order number is set forth.

Customer's Name ..... Address .....

Customer's Order No..... Date .....

Grade ..... Specification .....

Quantity (Gross Tons) ..... Shipping Date..... Remarks.....

Delivery is to be made through channels of your own choosing and shall be at the price established by the Office of Price Administration.

For further details as to the foregoing, you may consult the customer above named.

Receipt of this Order must be acknowledged to this Office, Ref: M-24, Attention....., Room..... Any other communication to this Office concerning the foregoing should bear the Allocation Order Number given above and should be similarly addressed.

DONALD M. NELSON, *Dir. of Priorities.*

Vf·6,033. Amendment No. 1 to Schedule No. 10 exempts one company and defines applicability. In a formal amendment to the pig iron schedule, the Brooke Iron Company, Birdsboro, Pennsylvania, has been granted a limited exemption from the schedule. The provisions of the schedule have been limited to transactions in, into or out of one of the forty-eight states or the District of Columbia.

Amendment No. 1 to Price Schedule No. 10—pig iron.

Two new sections, Sections 1306.57 and 1306.58, are hereby added as set forth below:

Sec. 1306.57 **Appendix B. Exceptions.** The following person has been granted an exception under Section 1306.55 of this Schedule permitting it to make a charge of $1.00 in addition to the maximum prices in Appendix A for pig iron: E. and G. Brooke Iron Company, Birdsboro, Pennsylvania.

Sec. 1306.58 **Geographical Application.** The provisions of this Schedule shall apply only to sales, offers to sell or delivery of pig iron moving within, into, or out of one of the forty-eight States of the United States or the District of Columbia.

This Amendment No. 1 shall become effective February 7, 1942. Issued this 2nd day of February, 1942.

LEON HENDERSON, *Administrator.*

Copyright, February 27, 1942, Research Institute.

Vf·6,034. Order M-21-f puts shot and bullet core steel under allocation. A complete allocation system for shot and bullet core steel, that is, steel for 20, 37, 40, 57 and 75 millimeter and three-inch armor piercing and semi-armor piercing shot, and .30 and .50 caliber bullet cores, was provided with the issuance of M-21-f on February 17, 1942. After March 1 deliveries are to be made only on specific allocation order, and weekly reports must be made to WPB and the Army and Navy Munitions Board by producers on Form PD-307. Purchasers are required to make monthly reports on Form PD-308.

Supplementary Order M-21-f—shot and bullet core steel.

Whereas, the fulfillment of requirements for the defense of the United States and the prosecution of the present war will result in a shortage of facilities for the production of steel for shot and bullet core and a consequent shortage in the supply of such material for defense, for private account and for export, and it is necessary to utilize effectively all available facilities for the production of such material;

Now, Therefore, It Is Hereby Ordered That:

Sec. 962.7 (a) *Definition.* For the purposes of this Order, "Shot and Bullet Core Steel" means steel, whether hot rolled or cold finished, to be used in the manufacture of those products listed in Schedule A hereto attached.

(b) *Allocation Program Adopted.* Beginning March 1, 1942, no producer of shot and bullet core steel shall make delivery of any such material and no person shall accept delivery thereof from a producer except pursuant to an allocation order issued on Form PD-201 specifically directing such delivery.

(c) *Reports.* Until further notice, reports shall be filed with the War Production Board and with the Army and Navy Munitions Board, weekly on Form PD-307 by producers of shot and bullet core steel, and monthly on Form PD-308 by purchasers of such material.

(d) *Effective Date.* This Order shall take effect immediately.

Issued this 17th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Schedule A to Supplementary Order M-21-f

Shot

20 mm. Armor Piercing and Semi-Armor Piercing
37 mm. Armor Piercing and Semi-Armor Piercing
40 mm. Armor Piercing
57 mm. Armor Piercing and Semi-Armor Piercing
75 mm. Armor Piercing and Semi-Armor Piercing
3 inch Armor Piercing and Semi-Armor Piercing

Bullet Core

Caliber .30
Caliber .50

Vf·6,035. Prices for railroad specialties and new steel castings changed by Amendment No. 1 to Price Schedule No. 41. By an amendment effective February 3, 1942 specific maximum prices were set for railroad specialties at levels reflecting price increases made after July 15, 1941. To these maximum prices actual freight may be added and the customary differential applied computed according to the method used on October 1, 1941. With regard to steel castings for which no price was filed, the producer on and after February 5, 1942 is to use the price published in the Comprehensive Report. If the particular casting is not listed in the Comprehensive Report, the producer must apply for approval of the proposed price and, if OPA does not act within 6 days, the price may be considered approved. Where delivery is to be made 6 months or more after the contract is entered into, producers may quote prices at OPA levels at the time of delivery. (Note: Amendment No. 2 correcting the wording of one of the paragraphs has been incorporated into the following text.)

Amendment No. 1 to Price Schedule No. 41—steel castings.

Section 1306.106 is hereby revoked, Sections 1306.100, 1306.101, 1306.102, 1306.104, 1306.108 and 1306.109 are hereby amended and four new Sections 1306.111, 1306.112, 1306.113 and 1306.114 are added, as set forth below:

Sec. 1306.100 **Maximum Prices for Steel Castings and Railroad Specialties.**

(a) On and after December 1, 1941, regardless of the terms of any contract of sale or purchase, or other commitment and, except as provided in subdivision (b) of this section: (1) no producer shall sell, offer to sell, or deliver steel castings of any description whatever, and no person shall buy, offer to buy, or accept delivery of such steel castings, at prices higher than the maximum prices set forth in Appendix A hereof, incorporated herein as Section 1306.112; (2) no producer shall sell, offer to sell, or deliver railroad specialties, and no person shall buy, offer to buy, or accept delivery of railroad specialties at prices higher than the maximum prices set forth in Appendix B hereof, incorporated herein as Section 1306.113.

(b) To the extent that a contract for the sale of steel castings or railroad specialties does not require that deliveries thereunder be made until six or more months after the date said contract was entered into, a producer may sell or offer to sell steel castings or railroad specialties at prices not in excess of the prices issued by the Office of Price Administration applicable and in effect at the time deliveries are made.

Sec. 1306.101 **Less Than Maximum Prices.**

Lower prices than those set forth in Appendix A and Appendix B may be charged, paid, or offered.

Sec. 1306.102 **Castings Produced on and after February 5, 1942, for which no price has been filed by the producer.**

Any producer undertaking to make a steel casting, (1) which is part of an order totaling $100 or more, and (2) for which steel castings, or a steel casting substantially similar in specification and design, no price has been filed by such producer pursuant to Section 1306.104 of this Schedule, shall file with the Office of Price Administration a request for approval of the proposed selling price for such steel casting on Form 141:4: *Provided,* That where the selling price is not higher than the price listed in the Comprehensive Report under the head of "Schedule Reference" for such steel casting, or for a steel casting substantially similar in design and specification, such producer shall not be required to request approval thereof. Copies of Form 141:4 may be obtained at the Office of Price Administration.

Sec. 1306.104 **Filing of Prices.**

On or before December 1, 1941, every producer shall file with the Office of Price Administration the exact and complete price or prices, extras, terms, and conditions, classified by size and quantity, in accordance with which he sold or would have sold on July 15, 1941, steel castings subject to Appendix A: *Provided,* That where such price or prices coincide with the "Comprehensive Report" the producer need only signify that such prices do coincide with those listed in said Comprehensive Report: and, *Provided further,* That filing as above is not necessary with respect to obsolete steel castings.

Sec. 1806.108 **Modification of the Schedule.** Persons complaining of hardship or inequity in the operation of this Schedule may apply to the Office of Price Administration for approval of any modification thereof or exception therefrom: *Provided,* That no application under this section will be

considered unless the person making such application shall have, to the satisfaction of the Office of Price Administration, complied with this Schedule. A list of persons to whom exceptions have been granted pursuant to this Section appears in Appendix C.

Sec. 1306.109 **Definitions.**

When used in this Schedule, the term:

(a) "person" includes an individual, partnership, association, corporation, or other business entity, as well as executors, trustees in bankruptcy, receivers, and other court-appointed officers;

(b) "producer" means a person engaged in the production of steel castings or railroad specialties;

(c) "steel castings" means any cast steel object that has been initially cast into the desired shape of the finished product, and which contains less than 1.70% carbon and/or alloys totaling not more than 8%, and includes miscellaneous steel castings and steel castings produced for railroads other than the railroad specialties defined in subdivision (d) below;

(d) "railroad specialties" means any or all side frames, bolsters, yokes and couplers of the types and sizes listed in Appendix B hereto;

(e) "Comprehensive Report" means the "Comprehensive Report of Price Lists of Miscellaneous Castings," published by the Steel Founders' Society of America, for the third quarter of 1941, beginning July 1, 1941.

(f) "Base territory" means the States of New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, Kentucky, Ohio, Indiana, Illinois and Michigan (southern peninsula only) and also including Bettendorf, Iowa and St. Charles and St. Louis, Missouri.

Sec. 1306.111 **Geographical Application.** The provisions of this Schedule shall apply only to sales, offers to sell or deliveries of steel castings and railroad specialties moving within, into or out of one of the 48 states or the District of Columbia.

Sec. 1306.112 **Appendix A.**

(a) *Maximum prices for steel castings made by a producer on or before July 15, 1941.* The maximum prices of a producer for steel castings made by such producer on or before July 15, 1941, or for steel castings substantially similar in design and specification to any steel castings made by such producer on or before July 15, 1941, shall be the prices, together with the extras, terms and conditions which were or would have been charged by such producer on July 15, 1941, and which are filed with the Office of Price Administration in accordance with Section 1306.104.

(b) *Maximum prices for other steel castings.*

The maximum price of a producer for a steel casting of any description whatever made by such producer on or after February 5, 1942, and for which steel castings, or a steel casting substantially similar in design and specification, such producer had not filed a price with the Office of Price Administration in accordance with Section 1306.104, (1) shall be the price, together with the extras, terms and conditions, listed in the Comprehensive Report under the head of "Schedule Reference" for steel castings of the same design and specification, or substantially similar design and specification, or (2), if substantially different in design and specification from any steel casting listed in the Comprehensive Report, shall be the price for such producer which is approved in writing by the Office of Price Administration within six days after Form 141:4 for such steel casting is received by the Office of Price Administration pursuant to Section 1306.102 of this Schedule: *Provided,* That if said selling price is neither approved nor disapproved within six days from the date of receipt of Form 141:4 by the Office of Price Administration, the proposed selling price shall be deemed approved for such producer.

Sec. 1306.113. **Appendix B—Maximum Prices for Railroad Specialties.**

The maximum prices, including extras, for railroad specialties delivered to the purchaser in base territory shall be as set forth hereinafter. The maximum prices for railroad specialties, including extras, delivered outside of base territory shall be as hereinafter set forth: *Provided,* That there may be added to such prices charges for freight at rates prevailing at time of delivery with the customary differential allowed to the purchaser, computed by methods used by the producer on October 1, 1941.

Table I—Side Frames

(1) Furnished in Grade "B" Steel

Andrews Frames

Size of Journal	*Pounds* Normal Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
4¼"x 8"	375	$34.95	$33.00	$32.05	$31.10	$30.15	$27.10
5" x 9"	435	37.50	35.45	34.45	33.20	32.20	29.00
5½"x10"	500	41.35	38.95	37.85	36.55	35.10	31.60
6" x11"	630	51.80	48.90	47.30	45.55	43.95	39.45
6½"x12"	700	58.05	54.85	52.90	51.00	49.20	44.25

Pedestal Frames

Size of Journal	*Pounds* Normal Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
4¼"x 8"	410	$36.55	$34.65	$33.65	$32.70	$31.75	$28.70
5" x 9"	470	39.60	37.50	36.55	35.25	34.30	31.10
5½"x10"	540	43.75	41.35	40.25	38.95	37.50	34.00
6" x11"	690	54.65	51.80	50.20	48.25	46.80	42.30
6½"x12"	810	64.15	60.90	59.00	56.75	55.00	49.70

Integral Box Frames

(Arranged to take A.A.R. Flat Spring Malleable Iron Lids or Pressed Steel Lids, but not including the furnishing or application of such lids.)

Size of Journal	*Pounds* Normal Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
4¼"x 8"	475	$45.05	$42.65	$41.50	$40.40	$39.10	$35.60
5" x 9"	530	48.75	46.15	44.90	43.60	42.15	38.30
5½"x10"	610	53.70	50.80	49.20	47.75	46.35	41.85
6" x11"	750	65.25	61.40	59.50	57.55	55.80	50.00
6½"x12"	900	79.05	74.40	72.15	70.05	67.95	61.25

Copyright, February 27, 1942, Research Institute.

Tenders

	Each		
	Andrews Frames	Pedestal Frames	Integral Box Frames
4¼"x 8" and 5"x9" journals	$42.65	$47.45	$54.15
5½"x10" journals	57.05	61.90	86.55
6" x11" journals	61.90	66.35	93.00
6½"x12" journals	70.55	76.95	109.00

Elsey Integral Box Frames

	Each					
Size of Journal	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
5½"x10"	$89.20	$84.10	$81.35	$79.00	$76.65	$69.00
6" x11"	95.40	90.00	87.30	84.60	82.10	74.00

Full Cushion Pedestal Type Frames

(Prices include the furnishing and application of pedestal and spring bar wear plates.)

	Each					
Size of Journal	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
5" x 9"	$ 97.15	$91.60	$88.80	$86.05	$83.50	$75.15
5½"x10"	101.70	96.00	93.15	90.30	87.65	79.10

Stabilized Pedestal Type Frames

	Each					
Size of Journal	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
5½"x10"	$76.70	$72.65	$70.40	$67.70	$65.70	$59.40

(2) Furnished in "High Tensile" Steel

Integral Box Frames

(Arranged to take A.A.R. Flat Spring Malleable Iron Lids or Pressed Steel Lids, but not including the furnishing or application of such lids.)

	Pounds	*Each*					
Size of Journal	Normal Weight	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 to 399 Pieces	400 or more Pieces
4¼"x 8"	410	$50.60	$47.90	$46.60	$45.35	$43.90	$39.95
5" x 9"	450	54.70	51.85	50.40	48.95	47.35	43.00
5½"x10"	510	60.30	57.05	55.25	53.65	52.00	47.00
6" x11"	600	73.25	68.95	66.80	64.60	62.65	56.15

Table II—Bolsters

(1) Furnished in Grade "B" Steel

Elsey Truck Bolsters

	Each				
Size of Journal	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
5½"x10"	$ 78.80	$ 73.95	$71.35	$66.50	$59.00
6" x11"	109.95	102.95	99.15	92.35	81.50

Barrett Whitehead Truck Bolsters

	Each				
Size of Journal	1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
5½"x10"	$ 90.15	$ 84.60	$ 81.60	$ 76.05	$67.50
6" x11"	105.95	99.30	95.65	89.20	78.90
6½"x12"	125.05	117.20	112.95	105.35	93.20

Full Cushion Truck Bolsters

Size of Journal	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
5" x 9"	$70.30	$65.95	$63.60	$59.25	$52.55
5½"x10"	79.00	73.75	70.80	65.55	58.55

Stabilized Truck Bolsters

Size of Journal	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
5½"x10"	$77.60	$72.80	$70.20	$65.40	$58.00

Truck Bolsters

Size of Journal	*Pounds* Normal Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
4¼"x 8"	650	$58.55	$55.10	$53.45	$50.00	$44.60
5" x 9"	745	65.05	60.90	59.10	55.10	48.95
5½"x10"	815	70.30	65.95	63.60	59.25	52.55
6" x11"	1000	84.90	78.95	75.70	69.90	63.25
6½"x12"	1200	101.85	94.80	90.80	83.90	76.10

Body Bolsters

Class	Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
A	Up to 550 lbs.	$52.90	$50.20	$48.95	$45.85	$41.30
B	551 to 650 lbs.	58.00	54.75	53.10	50.00	45.15
C	651 to 750 lbs.	67.60	63.80	62.00	58.35	52.55
D	751 to 850 lbs.	77.40	73.05	70.85	66.70	60.15
E	851 to 950 lbs.	87.00	82.30	79.75	74.85	67.60
F	951 to 1050 lbs.	96.80	91.35	88.65	83.35	75.20
G	1051 to 1150 lbs.	106.40	100.40	97.50	91.70	82.85

Tenders—Truck Bolsters

All Capacities ..... $8.70 per 100 lbs.

The above prices cover cast steel body and truck bolsters with center plates and side bearings cast integral, or arranged for but not including the application of separable center plates or side bearings.

(2) Furnished in "High Tensile" Steel

Truck Bolsters

The prices shown below cover cast steel truck bolsters with center plates and side bearings cast integral, or arranged for application of separable center plates or side bearings.

Size of Journal	*Pounds* Normal Weight	*Each* 1 to 10 Pieces	11 to 49 Pieces	50 to 99 Pieces	100 to 199 Pieces	200 or more Pieces
4¼"x 8"	545	$65.60	$61.75	$59.90	$56.05	$49.95
5" x 9"	575	72.90	68.25	66.20	61.75	54.85
5½"x10"	620	78.80	73.95	71.30	66.40	58.90
6" x11"	790	95.15	88.50	84.85	78.35	70.90
6½"x12"	960	114.15	106.25	101.75	94.05	85.30

Table III—Couplers

(1) Furnished in Grade "B" Steel

A.A.R. Standard and Alternate Standard Couplers and Attachments

A.A.R. Type "E" top or rotary operating couplers, 12" heads, with shanks not more than 21¼" long, fitted with 11" knuckles:

	Per Pair
5" x7" shanks, with 6½" butt ends	$55.75
5" x7" shanks, with 9⅛" butt ends	57.05
6¼"x8" shanks, with 6¼" butt ends	60.50
6¼"x8" swiveling shanks, without butts, pins and cotters	60.50
Locomotive or Special Tender designs with shanks not over 21¼" long	$34.25 each
Other special tender designs with unusual style shanks not over 21¼" long	$.0845 per lb.
Passenger Coupler designs	$.0845 per lb.

A.A.R. Alternate Standard Swivel Butts, complete with pins, pin retainers and cotters, when furnished for assembly with couplers having swiveling shanks:

	Per Pair
In lots of 1 to 99 pieces incl.	$17.50
In lots of 100 to 199 pieces incl.	16.50
In lots of 200 pieces or more	15.50

A.A.R. Alternate Standard Swivel Yokes, complete with pins and cotters, when furnished for assembly with couplers having swiveling shanks:

	Per Pair
In lots of 1 to 99 pieces incl.	$37.90
In lots of 100 to 199 pieces incl.	36.40
In lots of 200 or more pieces	34.90

Copyright, February 27, 1942, Research Institute.

Former M.C.B. Couplers

	Each
M. C. B. top operating freight, locomotive, or special tender couplers, 9¼" head, with shanks not over 21¼" long fitted with 9" or 11" knuckles.....	$25.50
M. C. B. top, side, or bottom operating passenger couplers, not over 48" long from pulling face of knuckle to butt end, fitted with 9" knuckles, but not including the furnishing or application of wrought iron or steel straps, or separate wearing plates	30.00
Coupler Pockets complete, for use with locomotive coupler designs	$.105 per lb.

Special M.C.B. Couplers Nos. 1 and 2 Complete Couplers

	Price Each
Special M.C.B. No. 1 Top Operating Couplers with shanks not over 21¼" long and fitted with 9" knuckles:	
5x5" shanks, 6½" butt ends	$25.50
5x7" shanks, 6½" butt ends	25.50
Engine, Short Shanks	25.50
Special M.C.B. No. 2 Top Operating Couplers with shanks not over 21¼" long and fitted with 9" knuckles:	
5x5" shanks, 6½" butt ends	$24.00
5x7" shanks, 6½" butt ends	24.00
Engine, Short Shanks	24.00

If Rotary or Side Operating Couplers are required add $1.00.
If Couplers having ¾" side walls are furnished add $0.50.

Special Designs

	Drawing	Price Each
Special M.C.B. No. 2 Coupler	Type "J"	$26.50
Special M.C.B. No. 2 Coupler	Type "H"	32.50
Special M.C.B. No. 2 Coupler	Type "M"	32.50
Special M.C.B. No. 2 Coupler	Type "T"	25.50
Special M.C.B. No. 1 Coupler	Type "S"	28.50
Special M.C.B. No. 2 Top Operating Unit Radial Coupler		28.30
Special M.C.B. No. 2 Rotary Operating Unit Radial Coupler		29.30
Special M.C.B. No. 1 Top Operating Unit Radial Coupler		29.80
Special M.C.B. No. 1 Rotary Operating Unit Radial Coupler		30.80

Incomplete Type "E" and M.C.B. Coupler and Coupler Body Prices

Type "E"

A.A.R. Standard Type "E" Coupler Bodies Only without fittings:

	Per Pair
5x7x6½"	$42.45
5x7x9⅛"	43.75
6¼x8x6¼", Rigid Shank	47.20
6¼x8x6¼", Swivel Shank	47.20
Locomotive, Short Shank .....each	27.60

For determining prices of various other combinations of incomplete Type "E" Couplers, the following amounts for missing parts should be deducted.

		Type "E" Freight Couplers	Type "E" Locomotive Couplers
		Per pair	Each
Less Knuckles	Deduct	$8.72	$4.36
Less Lifters	Deduct	.92	.46
Less Knuckle Throwers	Deduct	.98	.49
Less Locks	Deduct	2.14	1.07
Less Knuckle Pins	Deduct	.54	.27

MCB

MCB Coupler Bodies Only; without fittings:

5x5x6½"	$20.60 each
5x7x6½"	20.60 each

For determining prices of various other combinations of incomplete MCB Couplers, the following amounts for missing parts should be deducted.

		MBC Couplers
Less Knuckles	Deduct	$3.05 each
Less Lifters	Deduct	.90 each
Less Locks	Deduct	.68 each
Less Knuckle Pins	Deduct	.27 each

A.A.R. Type "E" Coupler Repair Parts

Description	Price Each
Knuckle, 11" face	$6.70
Knuckle Lock	1.65
Knuckle Thrower	0.75
Top Lock Lifter Assembly	0.70
Top Lock Lifter Hole Cap.....	0.07
Rotary Lock Lift Assembly, Single.....	0.70
Rotary Lock Lift Assembly, Double.....	0.85
Rotary Lock Lift Assembly, Pass. Type Number 1	0.95
Rotary Lock Lift Assembly, Pass. Type Number 2	0.75

A.A.R. Type "D" Coupler Repair Parts

Description	Price Each
Knuckle, 11" face (Type "E")	$6.70
Knuckle Lock	1.60
Knuckle Thrower	0.70
Top Lock Lifter	0.45
Bottom Lock Lift Toggle	0.20
Bottom Lock Lift Lever	0.50
Bottom Lock Lifter Rivet.....	0.05
Bottom Lock Lift Assembly	0.70
Top Lock Lifter Hole Cap	0.07
Single Rotor	0.35
Double Rotor	0.35
Double Rotor Eye	0.30
Rotary Lock Lifter Arm	0.23
Rotary Lock Lifter Toggle	0.17

M.C.B. Coupler Repair Parts

Description	Price Each
Knuckle, 9" face	$4.70
Knuckle, 11" face	4.95
Lock, Top or Side Lift	1.05
Top Lifter	1.40
Side Lift Knuckle Opener	1.05
Side Lift Lever	2.60

Miscellaneous Repair Parts

Description	Price Each
Swivel Butt	$8.10
Swivel Butt Pin	1.80
Swivel Butt Pin Retaining Cotter.....	0.15
Clevis with Pin	0.30
Link for M.C.B. Chain.....	0.15
M.C.B. Chain, complete	0.70

Fractional Size Couplers and Repair Parts

Furnished in Grade "B" Steel

¾ Size Top Operating Freight or Tender Couplers without uncoupling chains, PRICE:	$19.50 each
¾ Size Bottom or Side Operating Freight or Tender Couplers, without uncoupling chains, PRICE:	21.00 each
¾ Size Top, Side, or Bottom Operating Passenger Couplers, without uncoupling chains, PRICE:	23.25 each
¾ Size Coupler Pockets, PRICE:	$ .15 per lb.

	Each
¾ Size Knuckles (8" face)	$4.25
¾ " Lifters	1.40
¾ " Locks	
Type "A"	1.65
Type "S"	.90
¾ " Knuckle Pins	.50
¾ " Side Operating Levers	2.50
¾ " Knuckle Openers	
Type "A"	.55
Type "S"	.90
¾ " Bottom Lifters	.75

½ Size Top Operating Freight or Tender Couplers, without uncoupling chains, PRICE:	$13.00 each
½ Size Coupler Pockets, PRICE:	.205 per lb.

Fractional Size Couplers and Repair Parts *(Cont'd)*

	Each
½ Size Knuckles (5½" face)	$3.75
½ " Lifters	
Type "A"	.45
Type "S"	1.05
½ " Locks	
Type "A"	1.50
Type "S"	.80
½ " Knuckle Pins	.50
½ " Knuckle Opener	.55

(2) Furnished in High Tensile Steel

A.A.R. Standard and Alternate Standard Couplers and Attachments

	per pair
A.A.R. Type "E" top or rotary operating couplers, 12" heads, with shanks not more than 21¼" long, fitted with 11" knuckles:	
6¼x8" shanks with 6¼" butt ends	$67.25
6¼x8" swiveling shanks, without butts, pins, and cotters	67.25

A.A.R. Standard and Alternate Standard Couplers and Attachments *(Cont'd)*

	per pair
A.A.R. Alternate Standard Swivel Butts, complete with pins, pin retainers and cotters, when furnished for assembly with couplers having swiveling shanks:	
In lots of 1 to 99 pcs. inc.	$19.65
In lots of 100 to 199 pcs. incl.	18.40
In lots of 200 pieces or more	17.15
A.A.R. Alternate Standard Swivel Yokes, complete with pins and cotters, when furnished for assembly with couplers having swiveling shanks:	
In lots of 1 to 99 pcs. incl.	42.15
In lots of 100 to 199 pcs. incl.	40.25
In lots of 200 pieces or more	38.40
A.A.R. Standard Tight Lock Coupler Complete—T-80	*each* 111.25
A.A.R. Standard Tight Lock Coupler Yoke, Y-50, complete with Radial connection, Radial seat and pins	112.50
Type "E" Controlled Slack Coupler, Complete	
C.S.C. — 1	62.30
C.S.C. — 2	92.80
C.S.C. — 3	94.60
C.S.C. — 4	71.05
C.S.C. — 5	78.65

Table IV—Yokes

(1) Furnished in grade "B" Steel

Cast Steel Draft Yokes for Freight Cars, Locomotive Tenders, and Passenger Equipment

	1-99 Pieces (per pr.)	*100-199 Pieces (per pr.)*	*200 Pieces or More (per pr.)*
Schedule "A"—Covering Standard and Conventional Yokes of A.A.R. *Grade "B"* Steel, Horizontal key type for Freight cars and Locomotive tenders, providing			
Friction Draft Gear Pocket, 9¼x24⅝" for use with 6x1½" key, and standard 6x8" "D" and 6¼x8" "E" Couplers, and meeting A.A.R. test requirements	$32.20	$29.70	$26.00
Friction Draft Gear Pocket, 9¼x24⅝" for use with 5x1⅛" key, and 5x7" couplers (or 5x5")	29.80	27.60	24.10
Tandem Spring Draft Gear Pockets, with 8¼" or 8¼" between straps x11", for use with 6x1½" key or 5x1⅛" key	32.90	30.30	26.20
Friction Draft Gear Pocket, 9¼x18⅝", for use with 6x1½" key, and standard 6x8" "D" and 6¼x8" "E" Couplers and meeting A.A.R. test requirements	29.80	27.60	24.10
Friction Draft Gear Pocket, 9¼x18⅝", for use with 5x1⅛" key and 5x7" couplers (or 5x5")	26.60	24.60	21.40
Schedule "B"—Covering Non-Standard Vertical Key Type Freight Car Yokes of A.A.R. *Grade "B"* Steel including Vertical Keys and Retainers complete or keyless Type including locking castings, binders or other retainers complete, providing			
Friction Draft Gear Pocket, 9¼x24⅝", having 5x1" straps and designed with or without ties for any size coupler butt	32.70	30.70	27.30
Friction Draft Gear Pocket, 9½x18½", having 5x1" straps and designed with or without ties for any size coupler butt	29.10	28.30	25.50
Tandem Spring Draft Gear Pockets, 10⅞" to 11⅛" long separated by 5" to 5⅛" filler blocks, having 5x1" straps and designed with or without ties for any size coupler butt	36.00	33.80	30.10
Schedule "C"—Covering all other Freight Car Yokes of A.A.R. *Grade "B"* Steel, Horizontal Key Type; Vertical Key Type; with retainers but without Keys; or Keyless Type of Yoke without locking Castings, binders, or other retainers	*(per lb.)* 9.10¢	*(per lb.)* 8.40¢	*(per lb.)* 7.35¢
Note: For Vertical Keys, not exceeding 25 lbs. each for use with vertical key yokes, or for locking castings, binders, or other retainers for use with Keyless type of Yokes, add to prices on Schedule C—$4.00 per pair.			
Schedule "D"—Covering all other Tender Yokes of A.A.R. *Grade "B"* Steel	10.30¢	9.50¢	8.40¢
Schedule "E"—Covering Yokes of A.A.R. *Grade "B"* Steel for Passenger Equipment	10.30¢	9.50¢	8.40¢

(2) Furnished in High Tensile Steel

	1-99 Pieces (per pr.)	*100-199 Pieces (per pr.)*	*200 Pieces or More (per pr.)*
Schedule "F"—Covering Standard and Conventional *Light Weight Yokes of High Tensile Steel.* Horizontal Key Type for Freight Cars and Locomotive Tenders providing Friction Draft Gear Pocket 9¼x24⅝", for use with 6x1½" key and standard 6x8" "D" and 6½x8" "E" Couplers, and meeting A.A.R. test requirements for high tensile steel	$34.90	$32.00	$27.50

Sec. 1306.114 **Appendix C. Exceptions.** The following persons have been granted an exception under Section 1306.108 of this Schedule.

Utility Electric Steel Foundry,
3334 East Slausen Avenue, Vernon, California,
by letter dated December 10, 1941;
Oklahoma Steel Castings Co.,
Tulsa, Okla.,
by letter dated December 18, 1941;
Duncan Foundry & Machine Worsk, Inc.
Alton, Ill.,
by letter dated December 23, 1941;
Gunite Foundries Corporation,
Rockford, Ill.,
by letter dated January 8, 1942.

All action taken in reliance upon the terms of any exception shall be at the risk of the person acting until and unless official notification has been received by such person pursuant to such application. Persons interested may secure the terms of an exception on application to the Office of Price Administration.

This amendment No. 1 shall become effective February 3, 1942. Issued this 3rd dav of February, 1942.

LEON HENDERSON, *Administrator.*

Copyright, February 27, 1942, Research Institute.

Vf·6,036. Specific exemptions granted by Amendment No. 3 to Schedule No. 43. By formal amendment two companies have been granted exemptions from the provisions of the used steel barrels or drums Price Schedule. Interested parties may obtain the details of the exemption from OPA. The provisions of the schedule are made applicable to transactions within, into or out of the 48 states of the United States or the District of Columbia.

Amendment No. 3 to Price Schedule No. 43—used steel barrels or drums.

Two new sections 1306.211 and 1306.212 are hereby added as set forth below:

Sec. 1306.211 **Appendix B. Exceptions.** The following persons have been granted an exception under Section 1306.207 of this Schedule permitting them to make a charge in addition to the maximum prices in Appendix A for drums which are furnished by such persons with a new Heresite lining:

Acme Barrel Co., 2300 W. Thirteenth St., Chicago, Illinois, by letter dated December 16, 1941.

Newark Steel Drum Co., 1200 W. Blanche St., Linden, N. J. by letter dated December 16, 1941.

All action taken in reliance upon the terms of any exception shall be at the risk of the person acting until and unless official notification has been received by such person pursuant to such application. Persons interested may secure the terms of an exception on application to the Office of Price Administration.

Sec. 1306.212 **Geographical Application.** The provisions of this Schedule shall apply only to sales, offers to sell or deliveries of drums moving within, into or out of one of the 48 states of the United States or the District of Columbia.

This amendment No. 3 shall become effective February 7, 1942. Issued this 2nd day of February, 1942.

LEON HENDERSON, *Administrator.*

Vf·6,037. Form PD-228—steel producer's semiannual report.

PD-228

(This form may be reproduced)

Period for which report is made:

From .....

To .....

Producer's Semiannual Report Pursuant to A-3 Rating, Under Preference Rating Order P-68 (Iron and Steel Production, Maintenance, Repair & Operating Supplies)

(To be submitted in triplicate to the Iron and Steel Branch, Materials Division, Office of Production Management, Washington, D. C.)

(a) Name .....
Address .....

(b) Which materials listed in Schedule A of Preference Rating Order P-68 are produced by you:.....

(c) What was your total dollar volume of sales in the products you have listed in paragraph (b) during the period? .....

(d) Attach a list of the names and addresses of your suppliers to whom you issued during this period purchase orders to which you applied the A-3 rating assigned by Preference Rating Order P-68.

Certification

The undersigned hereby certifies to the Director of Priorities that he executed this report on behalf of and by authority of the above-named Producer or Supplier, and that the facts stated here are, to the best of his knowledge and belief, true and correct.

....
....
(Signature and title of official) (Date)

(e) Cost in dollars of materials for maintenance, repair, and operating supplies (see definitions in paragraph (a) of Order); excluding raw materials which enter into and form a part of the products listed in schedule A of Preference Order P-68.

Description of Materials Used for Maintenance, Repair, and Operating Supplies, in General Classes Under Headings Shown Below (1)	*Inventory at Beginning of Period (In Dollars)* (2)	*Received During Period (n Dollars)* (3)	*Used During Period (In Dollars)* (4)	*Inventory at End of Period (In Dollars)* (5)
1. Coal (exclusive of coking coal)				
2. Coke (exclusive of blast furnace coke)				
3. Oil				
4. Other fuel				
5. Rolls				
6. Moulds and stools				
7. Dies, cutting tools, etc.				
8. Patterns and flasks				
9. Emergency spares				
10. Lubricants				
11. Acids and chemicals				
12. Refractory materials				
13. Cement, sand, gravel, etc.				
14. Shipping materials and containers				
15. Pipe, tubings, and fittings				
16. Castings				
17. Hardware and small tools (separate from cutting tools)				
18. All other				
19. Total				

Vf·6,038. Tin and terne plate use put under M-43-a and M-38-c by Order M-21-e. Supplementary Order M-21-e issued February 3, 1942, incorporates the provisions of the lead and tin conservation orders, and drastically restricts the use of tin and terne plate. The order limits such use solely to items permitted under M-43-a and M-38-c and prohibits the use of long ternes except for orders rated A-10 or higher. Terne metal may be used only in the production of terneplate or long ternes, while tin used in the production of these items or tin plate may not exceed quotas as

assigned by the Director of Industry Operations. Until further restricted, tin plate may not be coated with tin in excess of 1.25 pounds per base box except on specific authorization.

Supplementary Order M-21-e—tin plate, terne plate and long ternes.

Sec. 962.6 (a) **Definitions.** For the purposes of this Order.

(1) "Tin Plate" means steel sheets generally referred to as black plate, coated with tin.

(2) "Terne Plate" means steel sheets generally referred to as black plate, coated with a lead-tin alloy.

(3) "Long Ternes" means steel sheets other than black plate coated with a lead-tin alloy.

(4) "Terne Metal" means the lead-tin alloy used as the coating for terne plate and long ternes.

(5) "Producer" means any person who produces tin plate, terne plate or long ternes, whether for sale or for his own consumption or use.

(b) *Restrictions on Use of Tin Plate, Terne Plate and Long Ternes.*

(1) No person shall use tin plate, terne plate or long ternes in the production of any item except as permitted by Conservation Orders M-43-a (Section 1001.2), M-38-c (Section 984.4), and any other or further Order or direction of the Director of Industry Operations.

(2) No person shall use long ternes unless he obtained delivery thereof on a rating of A-10 or higher and unless such use is for the purpose for which such rating was assigned.

(c) *Restrictions on Use of Terne Metal.* No Producer shall use terne metal except in the production of terne plate or long ternes.

(d) *Prohibitions Against Sales or Deliveries.* No person shall sell or deliver tin plate, terne plate or long ternes to any person if he knows or has reason to believe that such material is to be used in violation of the terms of this Order or any other or further Order or direction of the Director of Industry Operations.

(e) *Restrictions on Tin Consumption.* During the first calendar quarter of 1942 and during each calendar quarter thereafter, no Producer shall use tin in the production of tin plate, terne plate, or long ternes in excess of the quota assigned to such Producer by the Director of Industry Operations.

(f) *Special Directions.* The Director of Industry Operations may from time to time issue special directions as to production, deliveries, and use of tin plate, terne plate, and long ternes, which may include directions as to the tin or lead content or coating thereof. Until further direction, no Producer shall produce tin plate with a tin coating in excess of 1.25 pounds per base box, except with the specific authorization of the Director of Industry Operations.

(g) *Effective Date.* This Order shall take effect immediately. Issued this 3rd day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,039. Tungsten further conserved under M-29-b. In a conservation Order M-29-b, issued February 14, 1942, the use of tungsten in all items not specifically listed is cut between February 1 and March 31 to 12% of the amount used in the year ending June 30, 1941. After April 1, 1942, such use is restricted by calendar quarters to 17% of the corresponding period during 1941. The use of tungsten in grinding wheels, gauges and as a coloring material for rubber, linoleum, paper or similar products designated as List A is prohibited after May 1, 1942, and limited to 17½% of the amount used during the year ended June 30, 1941 until that date. List B of the order contains items exempt from the limitation provisions to the extent where use of any less scarce material is impracticable. Included are laboratory and research equipment, electrical and radio equipment, X-Ray and physical therapy equipment, tungsten-bearing alloy steel, etc. Also excepted are items being manufactured for the Army and Navy, certain U. S. Government agencies, Lend-Lease countries, items necessary to comply with safety regulations, or orders rated A-1-j or higher.

Tungsten Conservation Order No. M-29-b curtailing the use of tungsten in certain items.

Whereas, national defense requirements have created a shortage of tungsten for the combined needs of defense, private account, and export; and the supply now is and will be insufficient for defense and essential civilian requirements unless its use in the manufacture of many products where such use is not absolutely necessary for the defense or essential civilian requirements is curtailed or prohibited as hereinafter provided;

Now, therefore, it is hereby ordered that:

Sec. 923.4 **Conservation Order.**

(a) *Prohibition on Use of Tungsten in Articles Appearing on List A.*

(1) Between February 1 and April 30, 1942, inclusive, no person shall use in the manufacture of any item on List A more tungsten than 17½% of the tungsten used by him for such item during the 12-months period ending June 30, 1941.

(2) Effective May 1, 1942, no tungsten shall be used in the manufacture of any item on List A.

(b) *Limitation on All Other Uses of Tungsten.*

(1) Between February 1 and March 31, 1942, inclusive, no person shall use in the manufacture of any article not covered by paragraphs (a) or (c) of this order more tungsten than 12% of the tungsten used by him for such article during the 12-months period ending June 30, 1941.

(2) Beginning April 1, 1942, no person shall use during any calendar quarter in the manufacture of any article not covered by paragraphs (a) or (c) of this order more tungsten than 17½% of the tungsten used by him for such article in the 12-months period ending June 30, 1941.

(c) *General Exceptions.* Where and to the extent the use of any less scarce material is impracticable, the prohibitions, limitations and restrictions contained in paragraphs (a) and (b) shall not apply to the use of tungsten in the manufacture of any item on or for any of the uses set forth on List B attached, nor in the manufacture of any item which is being produced:

(1) (See ¶ R.610, XX)

(2) to comply with Safety Regulations issued under government authority, provided the pertinent provisions of such regulations were in effect both on December 1, 1941, and on the date of such use, and specifically and exclusively require the use of tungsten to the extent employed, or

(3) with the assistance of a preference rating of A-1-j or higher.

(d) *Prohibitions Against Sales or Deliveries.* (See ¶ R.610, XIII)

(e) *Limitation of Inventories.* No manufacturer shall receive delivery of tungsten (including scrap), or products thereof, in the form of raw materials, semi-processed materials, finished parts or sub-assemblies, nor shall he put into process any raw material, in quantities which in either case shall result in an inventory of such raw, semi-processed or finished material in excess of a minimum practicable working inventory, taking into consideration the limitations placed upon the production of tungsten products by this order.

(f) *Miscellaneous Provisions.*

(1) *Applicability of Priorities Regulation No. 1.* (See ¶ R.610, II)

(2) *Appeal.* Any person affected by this order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of tungsten conserved, or that compliance with this order would

Copyright, February 27, 1942, Research Institute.

disrupt or impair a program of conversion from non-defense work to defense work, may appeal to the War Production Board, Reference: M-29-b, on such forms as may be prescribed by said Board, setting forth the pertinent facts and the reasons he considers he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(3) *Applicability of Order.* (See ¶ R.610, V) In the absence of a specific direction by the Director of Industry Operations to the contrary, insofar as this order may have the effect of limiting or curtailing to a greater extent than is provided in General Preference Order M-29 or any other order of the Director of Priorities or of the Director of Industry Operations, or any preference rating certificate, the use of tungsten in the production of any article, the limitations imposed by this order shall be observed.

(4) *Violations or False Statements.* Any person who wilfully violates any provision of this order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this order, may be prohibited from receiving further deliveries of any material subject to allocation, and such further action may be taken as is deemed appropriate, including a recommendation for prosecution under Section 35(a) of the Criminal Code (18 U.S.C. 80).

(5) *Definitions. For the purposes of this order:*

(i) "Tungsten" means and includes:

(a) Ores and concentrates, including beneficiated or treated forms, containing tungsten (commercially recognized).

(b) The element tungsten in pure form, ferrotungsten, tungsten in the form of metal powder, and other combinations with other elements in semi-manufactured or manufactured form, prepared for consumption in the manufacture of steel, or for other purposes.

(c) All chemical compounds having tungsten as an essential and a recognizable component;

(d) All scrap or secondary material containing commercially recoverable tungsten as defined in (a), (b), and (c) above, excluding tungsten-bearing iron and steel scrap.

(ii) "Inventory" of a person includes the inventory of affiliates and subsidiaries of such person, and the inventory of others where such inventory is under the control of or under common control with or available for the use of such person.

(iii) "Manufacture" means to fabricate, assemble or process in any way, but does not include installation of a finished product for the ultimate consumer.

(iv) "Item" means any article or any component part thereof.

(v) "Use" means both (1) the act of putting tungsten into process in the manufacture of any item and (2) the act of completing the manufacture of any such item. (Where a person is limited to a percentage of the material used in a base period, this limitation applies respectively to (1) the amount of material put into process during the base period and (2) the total amount of material contained in a completed item or article multiplied by the number of such items or articles completed during the base period. Each restriction must be applied separately.)

(vi) "Put into Process" means the first change by a manufacturer in the form of material from that form in which it is received by him.

(6) *Effective Date.* This order shall take effect upon the date of issuance and shall continue in effect until revoked by the Director of Priorities.

Issued this 14th day of February, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

List A of Conservation Order M-29-b

The use of tungsten in the items listed below and in all component parts thereof is prohibited except to the extent permitted by the foregoing Conservation Order.

Grinding Wheels
Gauges
Coloring material for rubber, linoleum or other similar materials
Coloring or coating materials for paper of any and all descriptions, including wall paper

List B of Conservation Order M-29-b

The uses, and the items listed below and parts thereof are excepted from the prohibitions and restrictions contained in paragraphs (a) and (b) of the foregoing Conservation Order, but only to the extent indicated below and only to the extent that the use of any less scarce material is impracticable.

Corrosion-resisting material
Tungsten-bearing alloy steel in all forms
Hard-facing materials
Hard-cutting alloys (cemented carbides), tools and tool tips
Atomic hydrogen welding rods
Laboratory reagents and pharmaceuticals
Laboratory and research equipment
Electrical equipment, including ignition systems
Radio equipment
X-Ray and physical therapy equipment
Electronic relays
Electric lighting—filament and fluorescent

Vf·6,040. Instructions to producers of steel plates under Order M-21-c. Under M-21-c two forms must be filed monthly by consumers. Form PD-298 lists in detail requirements for the following month and the uses to which plates are to be put. Two copies are to be filed with the producer and one with the WPB, at least a month in advance. Form PD-299 must be filed by the seventh of the month and lists consumption, inventories and receipts for the month and estimated requirements for the two months following. Producers will report to WPB daily, weekly and monthly by wire as to shipments of plates, and monthly, on Forms PD-169 and 169A, on schedules for the month following. Producers' schedules, which call for complete and detailed information, will be analyzed by WPB and returned to producers with whatever changes appear warranted. Only orders for plates carrying a preference rating of A-10 or higher, or those specifically allocated by the Director of Industry Operations, may be requested, scheduled or delivered.

Instructions to producers of steel plates under General Preference Order M-21-c issued: February 16, 1942.

Definition:

Carbon and Alloy Steel (except stainless) plates comprise that group of flat hot rolled steel products, including skelp and floor plates:

$\frac{3}{16}$ in. (0.1875 in.) or thicker, over 48 in. wide
$\frac{1}{4}$ in. (0.250 in.) or thicker, over 6 in. wide
7.65 lb. per square foot or heavier, over 48 in. wide
10.2 lb. per square foot or heavier, over 6 in. wide

For stainless steel plates sizes are:

$\frac{3}{16}$ in. (0.1875 in.) or thicker, 10 in. and wider
7.65 lb. per square foot or heavier, 10 in. and wider

Form PD-298 (Steel Plate Requirements)

Every Customer requiring steel plates as defined above, direct from Producers must file this form in duplicate with each Producer, from whom such plates have been ordered, not later than the first day of the month preceding the month in which mill shipment is required. Please familiarize your organization with this form as well as Form PD-299 *(Steel Plate Consumption Report)* and the Instructions applicable to both forms, so that you may properly inform your Customers regarding their preparation.

Your responsibilities regarding Form PD-298 are as follows:

1. Inform your Customers promptly as to the address or addresses of your Company at which these forms are to be filed each month.

2. List in column (6) on one copy of every Form PD-298 submitted to you the Mill or Mills on which you produce

the tonnage your Customer has listed in Column (5). (Example: 35 N.T.—140" SH; 15 N.T.—48" U.M.; 50 N.T.—76" STP). All of these forms on which you have filled in column (6) are to be received by the War Production Board, Iron and Steel Branch, Plate and Shape Unit, Washington, D. C., not later than the seventh day of the month preceding the month in which delivery is required. They should be arranged alphabetically and sent together at one time.

3. The other copy of every Form PD-298 submitted to you is to be used by you in compiling your Schedules on Form PD-169 as hereinafter provided, and is to be retained by you for not less than two years.

Submission of Steel Plate Schedules

Every producer of steel plates (as defined) will submit to the Iron and Steel Branch, in duplicate, on or before the twelfth day of each calendar month, his Steel Plate Schedules for the following month on Form PD-169 in accordance with the instructions set forth below:

1. Steel plate Schedules are to be submitted, in duplicate, for each of the Producer's plate producing units (i.e., 76" Strip Mill, 100" Sheared Plate Mill, 24" Universal Plate).

2. All tonnage listed by your Customers on Form PD-298 received by you on or before the first day of the month in which you submit your Schedules, is to be reported on Form PD-169.

3. Preference in scheduling is to be given to specifically allocated orders, then to your remaining orders in strict priority sequence in accordance with Priority Regulations No. 1. (Irrespective of classification).

4. You will list as "in Schedule" sufficient tonnage to equal your plate capacity for the unit involved (Iron and Steel Branch rating) unless (a) you do not have sufficient tonnage requested on Forms PD-298, or (b) you have been given specific direction to submit a smaller Schedule. If either of these contingencies applies, state plainly on your Schedule.

5. You will list as "Out of Schedule" all other orders requested on Form PD-298 suitable for rolling on the unit involved.

6. Include only orders which have a Preference Rating of A-10 or higher or are specifically allocated (Forms PD-201 or PD-220) by the Director of Industry Operations, War Production Board.

7. Each Producer shall include in his Schedules all plates rolled on a conversion basis for any other person or Producer and identify the Consignee and outside person or Producer for each order scheduled.

8. No Producer shall schedule on a sheared plate mill any tonnage which could be produced on any other plate producing unit of such Producer.

Preparation of Form PD-169 (Steel Plate Schedule)

Pursuant to the preceding instructions, Form PD-169 is to be prepared in detail as follows:

(A) Indicate under *"Monthly Plate Capacity"* the rating given your plate producing unit by the Iron and Steel Branch. (If you do not have this information it will be supplied on request.)

(B) Columns are to be filled in as follows:

Classification and Customer (Column 1)

(a) First write in the name of the classification in capitals and underline. (For example: **ARMY**)

(b) Under each classification list alphabetically the Customers who have requested plates in this classification on Form PD-298. List separately each order as shown on Form PD-298.

(c) List classifications in the following order:

(1) **ARMY**; (2) **NAVY**; (3) **MARITIME**; (4) **DEFENSE PLANTS**; (5) **SHIP REPAIRS**; (6) **LEND-LEASE**; (7) **RAILROADS**; (8) **WAREHOUSE**; (9) **SKELP**; (10) **OTHER EXPORTS**; (11) **OTHER PRIORITIES.**

(d) In each case show the customer's name to whom the material is to be shipped as indicated on Form PD-298. For example, do not show Navy as a Customer, but show New York Navy Yard or Norfolk Navy Yard. The same shall apply for any tonnage for Maritime Commission. In every case show the yard for which the material is to be shipped. For your own intra or inter-plant shipments, show specifically plant or company to which shipment is to be made.

Customer's Order No. (Column 2)

This is the number shown by Customer in column (1) on Form PD-298. Do not use your own (Producer's) order number.

Preference Rating or Allocation No. (Column 3)

Secure from column (2) on Form PD-298.

In Schedule (Column 4)

List here the tonnage on the order which you have included in the Schedule in accordance with the preceding instructions.

Out of Schedule (Column 5)

List here the tonnage on the order which you have not been able to include in the Schedule in accordance with the preceding instructions.

Changes in Schedule directed by the War Production Board (Column 6)

Do not write in this column. It will be used by the Iron and Steel Branch to indicate changes in your proposed Schedule. If orders you have included in the Schedule are to be removed, the Iron and Steel Branch will indicate by the word "Out." If tonnage you have not included in Schedule is to be included, the Iron and Steel Branch will indicate by the word "In."

Remarks (Column 7)

(a) Show "End Product." Secure from Column (4) on Form PD-298.

(b) Identify specifically all orders for other than carbon plate, such as STS, Stainless, Alloy, Armor Plate, etc.

(c) Mark with a double asterisk any orders the Iron and Steel Branch has specifically requested you to include in this month's Schedule.

(d) Identify specifically all orders rolled on a conversion basis.

(C) On the last page of each Schedule show totals by classifications (Army, Navy, etc.), both for "In Schedule" and "Out of Schedule." Also show totals by priorities as follows: (1) Allocations; (2) A-1-k and higher; (3) A-2 to A-10. Please note that Skelp, scheduled by a Producer for use in such Producer's own mills, is to be listed but is *not* to be included in any totals or summaries.

Preparation of Form PD-169A (Summary of Steel Plate Schedules)

This form is to be filled out summarizing for all your schedules, the information called for in Paragraph (C) above.

Notification to Customers Regarding Priority Position of Producing Units

It is requested that, immediately after submitting their Schedules to the Iron and Steel Branch, Producers advise their Customers as to the lowest preference rating applicable to orders "In Schedule" for each of their plate producing units and the size range applicable to such unit. In this manner Customers will be in a position to place their tonnage to their best advantage. This will aid in a more equitable distribution of the plate load.

Notification to Customers not Included in Approved Schedules

Approved Schedules will be returned to Producers as promptly as possible. It is the *responsibility of Producers* to properly notify all Customers whose orders were submitted on Form PD-298 but were not included in approved Schedules so that they may re-submit them on Form PD-298 for the following month if they so desire.

Production in Excess of Schedule

If, after the receipt of his approved Schedule for a particular month, a Producer finds that he can produce tonnage in such month in excess of the quantity scheduled on one or more of his plate producing facilities, and he has received no instructions regarding the disposition of such excess tonnage, he shall immediately contact the Plate and Shape Unit, Iron and Steel Branch, and supply full information as to the tonnage and size range available.

Reports

(A) Before the close of each day, except Sundays and holidays, each Producer shall file by telegram a report showing the total tonnage of plates shipped by the Producer in the interval from the last such report for (1) Army, (2) Navy and (3) Maritime Commission as classified in Form PD-169.

(B) Each Producer shall submit a report showing the net tons of plates shipped each week ending Saturday, Midnight and a report of the total for each month. These reports should give shipments in net tons, for each plate producing unit. For example:

Copyright, February 27, 1942, Research Institute.

	Net Tons
160″ Sheared	.....
96″ Sheared	.....
80″ Strip	.....
42″ Universal	.....
76″ Jobbing	.....
Total	.....

The weekly report should reach the Iron and Steel Branch *not later than Thursday of each week,* and the monthly report *not later than the fifth day of the following month.* Please note that Skelp shipped by a Producer to one of such Producer's own mills, for further processing in such mill, is *not* to be included in these weekly or monthly shipment reports.

(C) On or before the twelfth of each month, each Producer shall submit a list on Form PD-169, showing by classifications and Customers, the tonnage of plates on each of his approved Schedules scheduled for shipment in the preceding month but not shipped by the seventh of the month in which the report is submitted. This report shall indicate under "Remarks" when such tonnage for each Customer will be shipped. This report shall be marked "Deficiency Report for Month of ....." If a Producer has shipped all of the tonnage enumerated above, a letter so stating shall be submitted by an official of the company.

To Whom Form PD-298, Form PD-169, Form PD-169A and Reports Are to be Sent:

Forms PD-298, PD-169, PD-169A and all reports listed in these instructions are to be sent by Producers to: *War Production Board,* Iron and Steel Branch Plate and Shape Unit, Temporary Building "R," Washington, D. C.

Vf·6,041. Form PD-169 (revised 2/16/42)—monthly steel plate schedule.

(THIS MAY BE REPRODUCED IN SAME SIZE AND FORMAT) PAGE ___ OF ___ PAGES.

PD-169 (Revised 2/10/42)

PREPARE IN DUPLICATE, FOR EACH PLATE PRODUCING UNIT AND MAIL BOTH COPIES IN TIME FOR RECEIPT BY THE WAR PRODUCTION BOARD, NOT LATER THAN THE 12TH OF EACH MONTH. SEE INSTRUCTIONS FOR DETAILS FOR COMPLETING FORM

WAR PRODUCTION BOARD
IRON AND STEEL BRANCH
PLATE AND SHAPE UNIT
WASHINGTON, D. C.

CONFIDENTIAL
FOR USE OF
FEDERAL DEFENSE AGENCIES
ONLY

NAME OF PRODUCER _____
OFFICIAL _____
SIZE AND TYPE OF MILL _____
LOCATION OF MILL _____
MONTHLY PLATE CAPACITY _____ N.T.

STEEL PLATE SCHEDULE FOR _____ 1942

CLASSIFICATION AND CUSTOMER	CUSTOMER'S ORDER NO.	PREFERENCE RATING OR ALLOCATION NO.	NET TONS OF PLATES			REMARKS (SHOW "END PRODUCT" AND GRADE, IF SPECIAL)
			IN SCHEDULE	OUT OF SCHEDULE	CHANGES IN SCHEDULE DIRECTED BY W.P.B.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.						
2.						
3.						

Vf·6,042. Form PD-169A—monthly summary of steel plate schedule.

PD-169-A
(2/10/42)

(This May Be Reproduced In Same Size and Format)

War Production Board
Iron and Steel Branch
Plate and Shape Unit
Washington, D. C.

CONFIDENTIAL
For Use of Federal Defense Agencies Only

Mail with Form PD-169 to War Production Board. See Instructions for Details for Completing Form.
Summary of Steel Plate Schedule for Month of ....., 1942

..... (Name of Producer) ..... (Address of Producer)

Classification	Net Tons in Schedules: Sheared Mills (Inc. Jobbing)	Universal Mills (Inc. Bar)	Strip Mills	Total
1. Army	.....	.....	.....	.....
2. Navy	.....	.....	.....	.....
3. Maritime	.....	.....	.....	.....
4. Defense Plants	.....	.....	.....	.....
5. Ship Repairs	.....	.....	.....	.....
6. Lend-Lease	.....	.....	.....	.....
7. Railroads	.....	.....	.....	.....
8. Warehouse	.....	.....	.....	.....
9. Skelp *	.....	.....	.....	.....
10. Other Export	.....	.....	.....	.....
11. Other Priorities	.....	.....	.....	.....
TOTAL	.....	.....	.....	.....
Allocations	.....	.....	.....	.....
Preference Ratings: A-1-k and higher	.....	.....	.....	.....
A-2 to A-10, Inc.	.....	.....	.....	.....
Total Allocations & Priorities	.....	.....	.....	.....

* Exclude Skelp *Produced and Consumed by* Your Company.

Prepared by: .....
Date .....

Vf·6,043. Form PD-298—monthly steel plate requirements report and instructions for filing. Instructions to steel plate customers for the preparation of Form PD-298.

(Steel Plate Requirements)

This form is pursuant to the requirements of General Preference Order M-21-c.

Definition:

Carbon and Alloy Steel (except stainless) plates comprise that group of flat hot rolled steel products, including skelp and floor plates:

3/16 in. (0.1875 in.) or thicker, over 48 in. wide
1/4 in. (0.250 in.) or thicker, over 6 in. wide
7.65 lb. per square foot or heavier, over 48 in. wide
10.2 lb. per square foot or heavier, over 6 in. wide
For stainless steel plates sizes are:
3/16 in. (0.1875 in.) or thicker, 10 in. and wider
7.65 lb. per square foot or heavier, 10 in. and wider

General Instructions:

1. Every Customer requiring steel plates (as defined above) direct from Producers must file this form with each Producer, from whom such plates have been ordered. It must be received not later than the first day of the month preceding the month in which mill shipment is required. This form is not to be used for purchases from warehouses, but is to be used by warehouses for their purchases from Producers.

2. The form is to be prepared in quadruplicate as follows:

a. Two copies are to be filed with the Producer at such address as the Producer shall direct. (The Producer will, in turn, fill in column (6) and transmit one copy to the Iron and Steel Branch).

b. One copy to be sent, at the same time, directly to the War Production Board, Iron and Steel Branch, Plate and Shape Unit, Washington, D. C., for transmittal to the proper governmental agency.

c. One copy is to be retained by the Customer.

3. A separate set of forms is to be submitted for each of the classifications listed herein for which the Customer requires plates and for each plant of the Customer. Separate forms must be prepared for the requirements of Producers using their own plates.

4. Include only orders which have a Preference Rating of A-10 or higher or are covered by specific allocation (Forms PD-201 or PD-220) of the Director of Industry Operations, War Production Board.

5. No requests for steel plates will receive consideration by the Iron and Steel Branch unless the Customer also files with the Iron and Steel Branch, on or before the seventh day of the month preceding the month in which delivery is required, Form PD-299 (Steel Plate Consumption Report).

6. Each set of forms submitted for a classification must be certified on the last page by an authorized official of the Customer.

7. In filling out forms, please typewrite or print plainly in ink.

8. If more than one sheet is required for a specific classification at a specific plant, number each sheet and fasten securely together in consecutive order. Show total tonnage required on last sheet only.

9. Producers will notify their Customers in ample time prior to the end of the month preceding the month in which shipment is required, as to the tonnage listed by the Customer on Form PD-298, but not included in the Schedules approved by the Iron and Steel Branch, so that the Customer can re-submit the tonnage on Form PD-298 for the following month if he so desires.

Classifications:

Every plate requirement must be listed under the proper classification and a separate set of forms is to be prepared for plates required in each of the following classifications:

1. *Army*—Include all orders for plates for the War Department (including the Panama Canal), their contractors or subcontractors, covered by PD-3 and PD-3A certificates or War Department contracts and orders.

2. *Navy*—Include all orders for plates for the Navy Department (including the Marine Corps and Coast Guard), Navy contractors or subcontractors covered by PD-3 and PD-3A certificates, or Navy contracts and orders.

3. *Maritime*—Include all orders for plates for ships built under the jurisdiction of the Maritime Commission. These are covered by priorities under Preference Rating Order P-7 and PD-4 and PD-3A Preference Rating Certificates.

4. *Defense Plants*—Include all orders for plates for Defense Plants. These are covered by priorities under Preference Rating Orders P-19-a and P-19-b. Be sure to indicate under "End Product" type of plant, i.e., "Aluminum," "Power," "Steel."

5. *Ship Repairs*—Include only orders for plates marked "CSY" regardless of whether the tonnage is required by a shipyard or warehouse.

6. *Lend-Lease*—Include all orders for plates for Lend-Lease whether direct or indirect. Such orders bear the symbol "DA" on the order form. Indicate under "End Product" the country of destination, as well as the actual purpose, if known.

7. *Railroads*—Include all orders for plates for Railroads. These are covered by Preference Rating Orders P-8, P-20 and P-21. Be sure to indicate under "End Product" if these plates are required for "Locomotive firebox or boiler."

8. *Warehouse*—Include all orders for plates for delivery to warehouses except orders marked "CSY" for *"Ship Repairs."* (See classification 5, above.)

9. *Skelp*—Include all skelp in plate sizes.

10. *Other Export*—Any plates for export other than Lend-Lease should be included. Please note that plates for ships being built in Canada, or any other country, or plate tonnage for any other purpose which is to be shipped out of the country and is not covered by Lend-Lease, is to be included. Indicate under "End Product" the country of destination, as well as the actual purpose, if known.

11. *Other Priorities*—Include all other orders for plates rated A-10 or higher which cannot be identified under any of the preceding classifications.

Columns:

(1) Show your purchase order number for order now on the books of the Producer. List each order separately. If more than one preference rating is applicable to one order, list separately for each preference rating.

(2) Show Preference Rating and Preference Rating Order (Example: A-1-b on PD-3 or A-1-a on P-19-a). In case of allocation show allocation number.

(3) If a government job, directly or indirectly, show contract number for which plates are requested. (This is important.)

(4) Describe End Product for which plates are required. (Example: turbine for battleship; tanks for synthetic rubber plant. See also classifications 4, 6, 7, and 10.) This column need not be filled in by warehouses.

(5) Show net tons of plates (do not show fractions of a ton) which are required during the month on the order specified. If tonnage required is only a part of the total plate tonnage on the order, attach a separate list to the forms filed with the Producer, specifying in detail the quantities and sizes needed during the month.

(6) Do not use this column; it is to be filled in by the Producer.

PD-298—2/12/42

Page No..... of ..... Pages

(This Form May Be Reproduced in the Same Size and Format)

War Production Board

Iron and Steel Branch—Washington, D. C.

Classification (See Instructions) .....

Steel Plate Requirements for Shipment During Month of....., 1942

To: ..... From: .....
(Producer's Name) (Customer's Name)

....
(Producer's Address) (Customer's Address) (Location of Customer's Plant)

(Continued on following page)

Copyright, February 27, 1942, Research Institute.

This form must be prepared in quadruplicate by Steel Plate Consumers and received by Producers and the Plate and Shape Unit, Iron and Steel Branch, War Production Board, Washington, D. C., on or before the first day of the month preceding the month in which shipment is required. (See Instructions)

Customer's Order No. (1)	*Preference Rating and Order or Allocation Number* (2)	*Government Contract No. (If Any)* (3)	*End Product (Purpose for which Plates are to be used)* (4)	*Net Tons Required* (5)	*Mill (s) (To be filled in by Producer)* (6)
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

Total Net Tons Required (Show only on last page) .....

Certificate: The undersigned hereby certifies to the producer and to the War Production Board that (1) He executed this form on behalf of and by authority of the customer named, (2) the information set forth herein is, to the best of his knowledge and belief, true and correct, (3) the plates are required in the month specified for the purposes listed and not for increased inventory or maintaining an inventory which is in excess of his requirements, and (4) similar material has not been ordered elsewhere for the same purpose.

1942

....

Date Prepared Signature of Authorized Official Title

(Section 35A of the Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

The Producer shall preserve this statement for not less than two years for audit and inspection by the War Production Board.

Vf·6,044. Form PD-299—monthly steel plate consumption report and instructions for filing. Instructions to steel plate customers for the preparation of Form PD-299.

(Steel Plate Consumption Report)

This form is pursuant to the requirements of General Preference Order M-21-c.

Definition:

Carbon and Alloy Steel (except stainless) plates comprise that group of flat hot rolled steel products, including skelp and floor plates:

$\frac{3}{16}$ in. (0.1875 in.) or thicker, over 48 in. wide
$\frac{1}{4}$ in. (0.250 in.) or thicker, over 6 in. wide
7.65 lb. per square foot or heavier, over 48 in. wide
10.2 lb. per square foot or heavier, over 6 in. wide
For stainless steel plates sizes are:
$\frac{3}{16}$ in. (0.1875 in.) or thicker, 10 in. and wider
7.65 lb. per square foot or heavier, 10 in. and wider

General Instructions:

1. Every Customer who purchases steel plates (as defined above) direct from Producers must file this form with the War Production Board, Iron and Steel Branch, Plate and Shape Unit, Washington, D. C. It must be received on or before the seventh day following the close of the month reported. It must be filed irrespective of whether the Customer requires plates during the current month or the next following month. It is not to be filed by Customers who purchase plates solely from warehouse.

2. The form is to be prepared in duplicate. The original is to be filed with the War Production Board, Iron and Steel Branch, Plate and Shape Unit, Washington, D. C., and the copy is to be retained by the Customer.

3. A separate form is to be submitted for each plant of the Customer where plates are used. This form must be used by Producers who use their own plates.

4. No requests for steel plates, covered by Form PD-298 (Steel Plate Requirements), will receive consideration by the Iron and Steel Branch unless Form PD-299 has been received by the Iron and Steel Branch on or before the seventh day of the month preceding the month in which mill shipment is required.

5. The form submitted must be certified by an authorized official of the Customer.

6. In filling out forms, please typewrite or print plainly in ink.

7. Please show net tons in all instances and do not show fractions of a ton.

Columns:

(1) *Classifications:*

List separately, opposite each classification, the net tons of plates applicable to such classification. These should be shown as follows:

1. *Army*—Include all plates for the War Department, (including the Panama Canal), their contractors or subcontractors, covered by PD-3 and PD-3A certificates or War Department contracts and orders.

2. *Navy*—Include all plates for the Navy Department (including the Marine Corps and Coast Guard), Navy contractors or subcontractors covered by PD-3 and PD-3A certificates or Navy contracts and orders.

3. *Maritime*—Include all plates for ships built under the jurisdiction of the Maritime Commission. These are covered by priorities under Preference Rating Order P-7 and PD-4 and PD-3A Preference Rating Certificates.

4. *Defense Plants*—Include all plates for Defense Plants. These are covered by priorities under Preference Rating Order P-19-a and P-19-b.

5. *Ship Repairs*—Include all plates for ship repair orders marked "CSY." Warehouses will report shipments and requirements of plates for *"Ship Repairs"* in this classification.

6. *Lend-Lease*—Include all plates for Lend-Lease whether direct or indirect. Such orders bear the symbol "DA" on the order form.

7. *Railroads*—Include all plates for Railroads. These are covered by Preference Rating Orders P-8, P-20 and P-21.

8. *Warehouse*—This classification shall be used by warehouses only. Include all plates shipped from and required by warehouses except orders for *"Ship Repairs"* marked "CSY." (See classification 5 above.)

9. *Skelp*—Include all skelp in plate sizes.

10. *Other Export*—Any plates for export other than Lend-Lease should be included. Please note that plates for ships being built in Canada, or any other country, or plate tonnage for any other purpose, which has been or is to be shipped out of the country and is not covered by Lend-Lease, is to be included.

11. *Other Priorities*—Include all plates for orders rated A-10 or higher which cannot be identified under any of the preceding classifications.

(2) Show net tons of steel plates actually consumed (placed in fabrication) during month reported. (This must be the same month as named in the heading.) If a Warehouse, show shipments opposite *"Warehouse"* or *"Ship Repairs."* If direct *"Lend-Lease"* or *"Other Export,"* show shipments from mill.

(3) Show net tons of steel plates you expect to consume during month following report month. If a Warehouse, show anticipated shipments opposite *"Warehouse"* or *"Ship Repairs."* If direct *"Lend-Lease"* or *"Other Export,"* show anticipated shipments from mill.

(4) Show tonnage requested for second month following the report month. This should be the total of all tonnage previously ordered and listed for such month on Form PD-298 that you have filed with the Producers.

(5) Show your estimated requirements of steel plates from Producers for each of the two months following the month named in column (4). These figures should be based on contracts or orders Customer now has, irrespective of whether or not plates have been ordered from the Producers.

Inventory As of Last Day of Report Month (6)

Show in net tons your inventory of steel plates on the last day of the report month. It should include plates in transit to you on the last day of such month. It should not include any plates in process of fabrication on such date.

Receipts During Report Month (7)

Show in net tons the steel plates shipped to you during the report month. This should be computed from the shipping memoranda or invoices you received, which are dated from the first to the last day of such month inclusive. (This may, of course, include some material in transit.)

Anticipated Receipts During Following Month (8)

Show in net tons the steel plates which you have ordered and are on the following month's Schedules of the Producers. This should include only such tonnage as appears on the Schedules previously approved by the Iron and Steel Branch.

(Continued on following page)

Copyright, February 27, 1942, Research Institute.

IRON, STEEL AND ALLOY METALS

23871
PD-299
2/12/42

(This form may be reproduced in the same size and format) CONFIDENTIAL (For use of Federal Defense Agencies Only)

WAR PRODUCTION BOARD
IRON AND STEEL BRANCH
WASHINGTON, D. C.

STEEL PLATE CONSUMPTION DURING 1942
(Inventories and Steel Plate Requirements)

From: _____ (Name of Customer) _____ (Address) _____ (Location of Plant)

No requests for steel plates covered by Form PD-298 will receive consideration unless this form is received by the Plate and Shape Unit, Iron and Steel Branch, War Production Board, Washington, D. C., on or before the seventh day following the close of the month reported.
(See Instructions)

(1) Classification	(2) Consumption During Mo. Reported (Net Tons)	(3) Anticipated Consumption In Following Mo. (Net Tons)	(4) Tonnage Requested In 2nd Mo. Following (Net Tons)	(5) Estimated Requirements Two Following Months 3rd Month (Net Tons)	4th Month (Net Tons)
ARMY					
NAVY					
MARITIME					
DEFENSE PLANTS					
SHIP REPAIRS					
LEND-LEASE					
RAILROADS					
WAREHOUSE					
SKELP					
OTHER EXPORT					
OTHER PRIORITIES					
TOTAL					

(6) Inventory as of _____ (Last day of Report Month) : _____ Net Tons

(7) Receipts During _____ (Report Month) : From Producers _____ Net Tons
From Warehouses _____ Net Tons
Total _____ Net Tons

(8) Anticipated Receipts During _____ (following month) : _____ Net Tons

CERTIFICATE: The undersigned hereby certifies to the War Production Board that (1) he executed this form on behalf of and by authority of the customer named, (2) the information set forth herein is to the best of his knowledge and belief true and correct, and (3) the plates are required in the months specified for the classification listed and not for increasing inventory or maintaining an inventory which is in excess of his requirements.

1942 _____ _____
Date Prepared Signature of Authorized Official Title

(Section 35A of the Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.)

The Customer shall preserve this statement for not less than two years for audit and inspection by the War Production Board.

Vf·6,045. Steel producers under M-21-b restricted with regard to casing, tubing and pipe sales. Steel producers supplying the petroleum industry have been ordered by telegram from the Director of Industry Operations not to ship oil country casing, tubing or drill pipe on or after March 14, or to ship line pipe on or after March 7 except on orders bearing a preference rating of A-9 or higher.

Vf·6,046. Form PD-307—producer's weekly report on deliveries of shot and bullet core steel.

PD-307
2-16-42

NAME OF COMPANY

ADDRESS

WAR PRODUCTION BOARD
MATERIALS DIVISION
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

PRODUCER'S REPORT ON DELIVERIES OF SHOT AND BULLET CORE STEEL FOR THE WEEK OF _____

CONFIDENTIAL FOR USE OF FEDERAL DEFENSE AGENCIES ONLY.

THIS FORM SHALL BE FILLED OUT BY ALL COMPANIES WHICH PRODUCE OR PROCESS SHOT AND BULLET CORE STEEL, EXCEPT THOSE WHICH MELT STEEL AND PERFORM ALL SUBSEQUENT OPERATIONS INCLUDING DELIVERY OF ITS FINAL PRODUCTS TO THE ORDNANCE DEPARTMENT. SEE REVERSE SIDE OF THIS SHEET FOR DEFINITION OF PRODUCER AND FOR INSTRUCTIONS FOR FILLING OUT THIS FORM. FILE THIS INFORMATION IN DUPLICATE ON OR BEFORE WEDNESDAY OF THE WEEK FOLLOWING THAT REPORTED WITH THE IRON AND STEEL BRANCH, MATERIALS DIVISION, WAR PRODUCTION BOARD, SOCIAL SECURITY BUILDING, WASHINGTON, D. C.

(ALL FIGURES IN NET TONS TO THE NEAREST TON)

ALLOCATION ORDER NO.	NAME OF PURCHASER	GRADE AND SIZE	DELIVERY SCHEDULE					
			SHIPPED DURING WEEK	UNSHIPPED BALANCE OF ORDER	SCHEDULED FOR NEXT WEEK	SCHEDULED FOR 2ND WEEK FOLLOWING	SCHEDULED FOR 3RD WEEK FOLLOWING	SCHEDULED FOR 4TH AND LATER WEEKS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
TOTAL	- - -	- - -						

SECTION 35 (A) OF THE UNITED STATES CRIMINAL CODE, 18 U.S.C.A. 80, MAKES IT A CRIMINAL OFFENSE TO MAKE A FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY IN THE UNITED STATES.

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION CONTAINED IN THIS REPORT IS CORRECT AND COMPLETE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

PREPARED BY: _____
NAME OF OFFICIAL

DATE: _____ _____
TITLE

Instructions for Completing Form

1. For purposes of this form "producer" shall mean: (a) any company which melts and completely processes shot and bullet core steel and ships it directly to any prime, and/or subcontractor of the Ordnance Department; (b) any company which performs any processing operation between that of melting steel and delivering it to any prime, and/or subcontractor of the Ordnance Department.

2. "Purchaser" shall mean: (a) any company which purchases shot and bullet core steel from another company under allocation order for purposes of further processing operations between that of melting the steel and delivering it to any prime, and/or subcontractor of the Ordnance Department; (b) any prime and/or subcontractor of the Ordnance Department which purchases shot and bullet core steel.

3. Any company which operates both as a producer and as a purchaser of shot and bullet core steel must fill out form PD-308 as well as this form.

4. Any company which performs *all* steel processing operations on products for which it is also a prime, and/or subcontractor of the Ordnance Department shall not fill out this form.

5. For purposes of this report a week shall be the period from Saturday midnight to the following Saturday, midnight.

6. *Col. 1.* List each allocation in numerical order.

7. *Col. 2.* Place name of purchaser to whom materials covered by an allocation order is shipped, or is to be shipped.

8. *Col. 3.* Indicate grade of material by such designations as S.A.E. 4150, W.D. 4150, or 52,100, 74,100, etc., and size by such designations as 7/8" round, 1 1/16" round, etc.

9. *Col. 5.* Report the total remaining unshipped balance on each allocation order after the current week's shipments have been deducted.

Copyright, March 18, 1942, Research Institute.

Vf·6,047. Prices of tungsten high speed tool steel scrap. In an official ruling, OPA declared that tungsten high speed tool steel in scrap form is not subject to any of the price schedules. OPA, however, disapproves of any price higher than $1.80 per pound for contained tungsten. Thus, the price for standard 18–4–1 high speed tool steel scrap (18% tungsten, 4% chromium, 1% vanadium), calculated by the tungsten content, should be no higher than 32.4¢ per pound. If the tungsten content is below 18%, the price should be decreased accordingly. If the tungsten content is below 12%, the price per pound of contained tungsten should be decreased by differentials customary in the trade.

Vf·6,048. Computation of switching charges under price schedule No. 4. Price Schedule No. 4 requires that the lowest established switching charge for scrap within basing points should be deducted in computing the shipping point price for points within the basing point. In interpreting this provision, OPA explained:

Where the lowest established switching charge is stated in terms of a charge per car rather than per ton, divide the per car charge by 25 gross tons to obtain shipping point price irrespective of any minimum weight requirements for switching. Where various switching charges exist for different zones within the same basing point, the lowest established switching charge within the basing point is the lowest of these varying zone charges and this lowest established switching charge is used to compute shipping point prices within any of these zones. The shipping point price within the basing point is the same regardless of the mode of transportation employed and of the actual tonnage shipped. This method of computation is only a formula for computing the shipping point price and does not affect the transportation charges allowed in computing maximum delivered prices.

Vf·6,049. Classification of rail ends under Price Schedule No. 4. In an official interpretation, OPA explained that rail ends 18″ and under, clipped off the ends of rerolling rails, may be classified as scrap rails 18″ and under.

Vf·6,050. Records for lump sum scrap purchases. In an official interpretation of the record requirements, OPA ruled that in cases where a collector contracts to purchase for a lump sum all the scrap which will be produced by a manufacturing plant in the following year, the recording requirements of the Schedule should be satisfied insofar as possible when the contract is made. Additions to the records should be made when the remaining facts required to be recorded are ascertained.

Vf·6,051. Delivery charges changed by Amendment No. 1 to Price Schedule No. 100. By formal amendment effective March 7, 1942, the cast iron soil pipe and fittings schedule was amended to permit warehouse operators to compute delivery charges from warehouses in accordance with methods employed on October 1, 1941. The purpose is to adjust the provisions to prevailing trade practice. In order to prevent evasion, the amendment also provides that manufacturers, jobbers and wholesalers who sell pipe other than for shipment from a foundry are required to file with OPA a notarized statement that no free zone was recognized by the seller on October 1, 1941, or describing the zone or zones on that date.

Amendment No. 1 to Revised Price Schedule No. 100 —Cast Iron Soil Pipe and Fittings

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[1]

Sec. 1306.304 is amended by designating the paragraph therein as (a) and adding a new paragraph (b), a new section 1306.308A is added, and 1306.309 (b) (1) and (b) (2) are amended to read as set forth below:

Sec. 1306.304 **Records and reports.**

(a) * * *

(b) Every manufacturer, jobber or wholesaler who sells cast iron soil pipe and fittings for shipment originating from some place other than a foundry shall file with the Office of Price Administration before April 1, 1942, a notarized document containing a description and explanation of the free delivery zone or zones recognized by the seller on October 1, 1941, or a notarized statement that no such zone or zones were recognized.

Sec. 1306.309 **Appendix A—maximum prices for cast iron soil pipe and fittings.**

* * *

(b) * * *

(1) Where a carload shipment by rail moves directly from foundry to purchaser (regardless of whether the seller is a manufacturer, jobber or wholesaler), the delivery charge may not exceed the transportation charge at the railroad carload rate from Birmingham, Alabama, to the railroad siding nearest to the point of delivery designated by the purchaser.

(2) Where shipment to a purchaser originates from some place other than a foundry (as where shipment originates at a distribution warehouse operated by a manufacturer, jobber, or wholesaler), the delivery charge may not exceed the transportation charge at the railroad carload rate from Birmingham, Alabama, to the place at which the shipment originates. A further delivery charge for transportation from the place at which shipment originates to the location designated by the purchaser may be made if (i) the seller on October 1, 1941 did not recognize a free delivery zone for a shipment of the size ordered by the purchaser; or (ii) the delivery location designated by the purchaser is outside of the free delivery zone, if any, recognized by the seller on October 1, 1941, for a shipment of the size ordered by the purchaser. The further charge may not exceed (i) the actual cost incurred by the seller for such transportation; or (ii) in the event transportation is by carrier other than a common carrier, the further delivery charge may not exceed the charge which would be applicable had the carrier been a common carrier.

Sec. 1306.308A **Effective dates of amendments.**

(a) Amendment No. 1 (1306.304 (b), 1306.308A, and 1306.309 (b) (1) and (b) (2) to Revised Price Schedule No. 100 shall become effective March 7, 1942.

Issued this 6th day of March, 1942.

LEON HENDERSON, *Administrator.*

[1] The statement of considerations has been filed with the Division of the Federal Register.

Vf·6,052. Steel specifications changed. Changes in steel specifications were announced on March 7, 1942. The analyses of the alternate steels which will be available are given in Table I. Existing steel specifications with the National Emergency equivalents are given in Table II.

Those interested in obtaining these steels can apply to their regular steel sources. Heats have already been made by a number of companies, including the following: Bethlehem Steel Corp., Carnegie-Illinois Steel Co., Copperweld Steel Co., Pittsburgh Crucible Steel Co., Republic Steel Corp., Rotary Electric Steel Co., Timken Steel and Tube Co., Youngstown Sheet and Tube Co. In the early stages of this program it may not be possible for a user to obtain the exact bar size or shape to which he is accustomed and it may be necessary to accept some other size and possibly even a forged bar in order to carry out a test program. Test steel should be ordered in the usual manner.

All of the following steels contain .20-.35 silicon and .040 maximum each sulphur and phosphorus.

In addition to the following, the usual plain carbon (1000 series), high sulphur (1100 series), high phosphorus (1200 series), silico manganese (9200 series) steels are available in the various carbon ranges, as are, also, certain other carbon molybdenum (4000 series) steels.

Table I

AVAILABLE STEELS

SAE or AISI Number	C	Mn	Ni	Cr	Mo
A 4027	.25–.30	.70– .90	–	–	.20–.30
A 4037	.35–.40	.75–1.00	–	–	.20–.30
A 4063	.60–.67	.75–1.00	–	–	.20–.30
A 4068	.64–.72	.75–1.00	–	–	.20–.30
NE 8024	.22–.28	1.00–1.30	–	–	.10–.20
NE 8124	.22–.28	1.30–1.60	–	–	.25–.35
NE 8233	.30–.36	1.30–1.60	–	–	.10–.20
NE 8245	.42–.49	1.30–1.60	–	–	.10–.20
NE 8339	.35–.42	1.30–1.60	–	–	.20–.30
NE 8442	.38–.45	1.30–1.60	–	–	.30–.40
NE 8447	.43–.50	1.30–1.60	–	–	.30–.40
NE 8547	.43–.50	1.30–1.60	–	–	.40–.60
NE 8620	.18–.23	.70– .95	.40–.60	.40–.60	.15–.25
NE 8630	.27–.33	.70– .95	.40–.60	.40–.60	.15–.25
NE 8724	.22–.28	.70– .95	.40–.60	.40–.60	.20–.30
NE 8739	.35–.42	.75–1.00	.40–.60	.40–.60	.20–.30
NE 8744	.40–.47	.75–1.00	.40–.60	.40–.60	.20–.30
NE 8749	.45–.52	.75–1.00	.40–.60	.40–.60	.20–.30
NE 8817	.15–.20	.70– .95	.40–.60	.40–.60	.30–.40
NE 8949	.45–.52	1.00–1.30	.40–.60	.40–.60	.30–.40

Copyright, March 26, 1942, Research Institute.

Table II
STEEL SPECIFICATIONS

Standard Series Designation				*Possible Alternates*		
1942 AISI No.	1941 AISI No.	1942 SAE No.	1941 SAE No.	SAE or AISI Number		
				Number	Number	Number
A 1320	A 1321	1320	–	A 4027	NE 8024	
A 1330	A 1330	1330	1330	A 4037	NE 8233	
A 1340	A 1340	1340	1340	A 4047	NE 8245	
A 2317	A 2317	2317	2315	A 4027	NE 8024	NE 8620
A 2330	A 2330	2330	2330	A 4037	NE 8233	NE 8630
A 2335	A 2335	–	–	A 4063	NE 8339	NE 8739
A 2340	A 2340	2340	2340	A 4068	NE 8442	NE 8744
A 2345	–	2345	2345	A 4068	NE 8447	NE 8749
WD2350	–	–	–	A 4068	NE 8547	NE 8949
A 2515	A 2514	2515	2515	A 4027	NE 8817	
A 3045	A 3045	–	–	A 4068	NE 8442	NE 8744
A 3120	A 3120	3120	3120	A 4027	NE 8024	NE 8620
A 3130	A 3130	3130	3130	A 4037	NE 8233	NE 8630
A 3135	A 3135	3135	3135	A 4063	NE 8339	NE 8739
A 3140	A 3140	3140	3140	A 4068	NE 8442	NE 8744
A 3141	A 3141	3141	x3140	A 4068	NE 8447	NE 8749
A 3145	A 3145	3145	3145	A 4068	NE 8447	NE 8749
A 3150	A 3150	3150	3150	A 4068	NE 8547	NE 8949
A 3240	A 3240	3240	3240	A 4068	NE 8442	NE 8744
WD3250	–	–	–	A 4068	NE 8547	NE 8949
A 4119	A 4119	4119	–	A 4027	NE 8024	
A 4130	A 4130	4130	x4130	A 4037	NE 8233	NE 8630
A 4137	A 4137	4137	–	A 4063	NE 8339	NE 8739
A 4142	A 4142	–	–	A 4063	NE 8442	NE 8744
A 4145	–	4145	–	A 4068	NE 8447	NE 8749
A 4150	–	4150	4150	A 4068	NE 8547	NE 8949
A 4320	A 4320	4320	4320	–	NE 8124	NE 8724
A 4340	–	4340	x4340	A 4068	NE 8547	NE 8949
A 4620	A 4620	4620	4620	A 4027	NE 8024	NE 8620
A 4640	–	4640	4640	A 4063	NE 8339	NE 8739
A 4645	–	–	–	A 4068	NE 8447	NE 8744
4650	–	–	–	A 4068	NE 8547	NE 8949
A 4820	A 4821	4820	4820	–	NE 8124	NE 8724
A 5045	A 5045	–	–	A 4063	NE 8339	
A 5120	A 5120	5120	5120	A 4027	NE 8024	
A 5130	A 5130	–	–	A 4037	NE 8233	
A 5140	–	5140	5140	A 4063	NE 8339	
A 5145	A 5145	–	–	A 4068	NE 8442	
A 5150	A 5152	5150	5150	A 4068	NE 8447	
A 6120	A 6120	–	–	A 4027	8024	NE 8620
–	–	6130	–	A 4037	NE 8233	NE 8630
WD6140	–	–	–	A 4063	NE 8339	NE 8739
A 6145	–	–	–	A 4068	NE 8442	NE 8744
A 6150	–	6150	6150	A 4068	NE 8447	NE 8749

Vf·6,053. Form PD-308—purchaser's monthly report on shot and bullet core steel.

PD-308
2-15-42

WAR PRODUCTION BOARD
MATERIALS DIVISION
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

CONFIDENTIAL
FOR USE OF
FEDERAL
DEFENSE
AGENCIES
ONLY.

NAME OF COMPANY

ADDRESS

PURCHASER'S REPORT ON RECEIPTS, CONSUMPTION, INVENTORIES AND SCHEDULED REQUIREMENTS OF SHOT AND BULLET CORE STEEL FOR THE MONTH OF

THIS FORM SHALL BE FILLED OUT BY ALL COMPANIES WHICH PURCHASE SHOT OR BULLET CORE STEEL FOR FURTHER PROCESSING AND BY THOSE WHICH MELT STEEL AND PERFORM ALL SUBSEQUENT OPERATIONS INCLUDING DELIVERY OF ITS FINAL PRODUCTS TO THE ORDNANCE DEPARTMENT. SEE REVERSE SIDE OF THIS SHEET FOR DEFINITION OF PURCHASER AND FOR INSTRUCTIONS FOR FILLING OUT THIS FORM. FILE IN DUPLICATE ON OR BEFORE THE 15TH DAY OF THE FOLLOWING MONTH WITH THE IRON AND STEEL BRANCH, MATERIALS DIVISION, WAR PRODUCTION BOARD, WASHINGTON, D. C.

(ALL FIGURES IN NET TONS TO THE NEAREST TON)

READ SPECIAL INSTRUCTIONS (REVERSE SIDE) CAREFULLY BEFORE FILLING OUT COLS. 6 – 11

ALLOCATION ORDER NO. (1)	NAME OF SUPPLIER (2)	GRADE AND SIZE (3)	TOTAL RECEIPTS DURING MONTH (4)	UNRECEIVED BALANCE (5)	GRADE AND SIZE (6)	USE (TYPE OF SHOT) (7)	INVENTORY AT END OF MONTH (8)	CONSUMPTION DURING MONTH (9)	SCHEDULED REQUIREMENTS	
									NEXT MONTH (10)	2ND MONTH FOLLOWING (11)
TOTAL	– – –	– – –			– – –	– – –				

SECTION 35 (A) OF THE UNITED STATES CRIMINAL CODE, 18 U.S.C.A. 80, MAKES IT A CRIMINAL OFFENSE TO MAKE A FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY IN THE UNITED STATES.

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION CONTAINED IN THIS REPORT IS CORRECT AND COMPLETE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

PREPARED BY: _____
NAME OF OFFICIAL

DATE: _____ _____
TITLE

COUNTERSIGNATURE

_____
ARMY OR NAVY ORDNANCE INSPECTOR

Instructions for Completing Form

1. For purposes of this form "purchaser" shall mean: (a) any company which purchases shot and bullet core steel from another company for purposes of further processing operations between that of the melting of steel and delivering it to any prime and/or sub-contractor of the Ordnance Department (b) any prime, and/or sub-contractor of the Ordnance Department which purchases shot and bullet core steel.

2. Supplier shall mean the producer from which the purchase obtains shot and bullet core steel under an allocation order. Such producer is (1) any company which melts and completely processes shot and bullet core steel and delivers it to a purchaser as defined in (a) above; or (2) any company which performs any processing operation between that of melting the steel and its delivery to a purchaser as defined in (a) above.

3. Any company which operates both as a purchaser and a producer of shot and bullet core steel must fill out Form PD-307 as well as this form.

4. For purposes of this report "month" means calendar month.

5. Any company which performs all steel processing operations and operates under a prime and/or sub-contract of the Ordnance Department shall fill out this form. Such companies for purposes of reporting shall use only columns 1, 6, 7, 8, 9, 10, and 11. Inventory at the end of the month is to be construed as those materials (as listed in column 6) in process at the end of the month. Consumption shall be construed as those materials (as specified in column 6) which have been used in the manufacture of types of shot listed in column 7.

6. Purchasers other than prime and/or sub-contractors of the Ordnance Department shall list inventory and consumption tonnages by sizes and grades in columns 6, 7, 8, 9. Inventories in the state received, in process, and completely processed and ready for shipment, shall be reported. Consumption shall be construed to mean materials actually consumed in the production of completely processed goods. Do not use columns 7, 10, and 11.

7. Prime and/or sub-contractors of the Ordnance Department, except those which melt steel and perform all necessary operations including delivery of its final products to the Ordnance Department, shall report inventory and consumption tonnages on a basis of type of shot for which the material is to be used, or has been used. In column 6 place the grades and sizes of materials used for each type of shot. Fill out columns 10 and 11 reporting steel requirements necessary for filling schedules under prime and/or sub-contracts with the Ordnance Department.

8. *Col. 1.* List each allocation in numerical order.

9. *Col. 2.* Place name of producer from whom materials covered by an allocation order have been, or are to be, received.

10. *Col. 3.* Indicate grade of material by such designations as S.A.E. 4150, W.D. 4150, or 52,100, 74,000, etc., and size by such designations as: 7/8" round 1 2/16" round, etc.

11. *Col. 5.* Report total unreceived balance on each allocation order after current month's receipts have been deducted.

Vf·6,054. WPB Form 640—steel plate requirements for can manufacturers (preliminary survey form).

24909
WPB-640
(2/18/42)

WAR PRODUCTION BOARD
Containers Branch
Social Security Building, Washington, D. C.

Confidential
For Use of
Federal Defense Agencies Only

Steel Plate: Requirements for Can Manufacturers,
2nd, 3rd and 4th Quarters of 1942, and Inventory as of February 28, 1942

Name of Firm..... Address.....

Fill out and return one (1) copy by March 5, 1942, to Mr. I. W. Rabb, Research Consultant, Containers Branch, War Production Board, Social Security Building, Washington, D. C., in the enclosed envelope which requires no postage.

Item	Estimated Consumption, 1942				Inventory as of February 28, 1942
	2nd Quarter Apr., May, June	3rd Quarter July, Aug., Sept.	4th Quarter Oct., Nov., Dec.	Total	
	(Number)	(Number)	(Number)	(Number)	(Number)
Black Plate:					
Base Boxes.....	.....	.....	.....	.....	.....
Tons	.....	.....	.....	.....	.....
Tin Plate:					
Base Boxes.....	.....	.....	.....	.....	.....
Tons	.....	.....	.....	.....	.....
Terne Plate:					
Base Boxes.....	.....	.....	.....	.....	.....
Tons	.....	.....	.....	.....	.....

Section 35 (A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within the jurisdiction of any department or agency of the United States.

The undersigned certifies that the above information is complete and correct to the best of his knowledge and belief.

.....
(Signature of Official

....
(Date) (Title)

Copyright, March 26, 1942, Research Institute.

Vf·6,055. Form PD-83-g—steel warehouse request for extension of ratings higher than A-9.

PD-83-g
(2-14-42)

(This form may be produced only in the same size and format)

Warehouse Serial
No. WH- .....
Rating Extension
No. .....

WAR PRODUCTION BOARD
Materials Division
Social Security Building, Washington, D. C.

STEEL WAREHOUSE REQUEST
For Extension of Preference Ratings Higher than A-9
(Pursuant to Amendment No. 3, Supplementary Order M-21-b)

General Instructions

1. This form is for use of companies operating steel warehouses, who, in order to build up inventories depleted by deliveries carrying higher than A-9 ratings, may combine orders carrying higher ratings and extend such ratings to steel producers.

2. The ratings being consolidated in this manner during each calendar quarter may be applied only to orders for steel within the limits of the warehouse quotas assigned under Supplementary Order M-21-b.

3. An amount of each product classification equal to the amount obtained through the use of preference ratings higher than A-2 shall be reserved for a period of 90 days following date of receipt at the warehouse for delivery on orders rated higher than A-2 except when otherwise specifically ordered by the Director Industry Operations. If such material is not sold at the end of 90 days on ratings higher than A-2, it may be sold on other orders as prescribed in Supplementary Order M-21-b.

Instructions for Filling Out This Form

4. Consolidations can only be made by product classifications within the same type of steel (i.e., carbon, alloy, or stainless). The orders for products under such a consolidation must be in unit quantities of a size normally ordered from the producer with whom the order is placed.

5. Deliveries of steel requested under a consolidation of extensions must be to the location from which the steel being replaced was shipped.

6. The lowest preference rating included in the consolidation will be the rating assigned to the total order.

7. The total weight of each type of steel (i.e., carbon, alloy, or stainless) requested within each product classification mus' be at least the amount specified on the reverse side of this sheet.

8. Requests for extension of ratings may be made only to cover rated deliveries which were made within 90 days previous to the date on which this form is received by the producer. A consolidation of ratings for extension on this form can be made only after delivery of steel to your warehouse customer has been made.

9. Prepare two copies of this form. Send the original to the steel producer together with your purchase order and retain the duplicate in your files.

10. Each rating extension shall be numbered consecutively by each warehouse.

....
(Name of Warehouse) (Address of Warehouse)

To:

....
(Name of Producer) (Address of Producer)

Pursuant to Paragraph (h) of Supplementary Order M-21-b, as amended, a preference rating of A- is hereby assigned to the delivery of materials to the warehouse named above, covered by purchase orders attached.

Warehouse Order No.	Product Group Classification	Total Weight *(Pounds)*	Delivery Date Required

Minimum Size Orders of Steel for Warehouse Stock to Which a Rating Higher Than A-9 May be Extended on a Consolidated Basis

Schedule A Products	Type of Steel *(Pounds)* Carbon	Alloy	Stainless
1. Ingots, blooms, billets, slabs, tube rounds, and sheet and tin bars	40,000	20,000	....
2. Structural shapes and piling	40,000	20,000	....
3. Plates (universal and sheared)	40,000	20,000	6,000
4. Rails—Over 60 lb 5. Rails—All other 6. Tie plates and track accessories, including track spikes	40,000	.....	....
7. Hot-rolled bars, carbon, including hoops and bands	40,000	.....	....
9. Hot-rolled bars, alloy	.....	20,000	6,000
10. Cold-finished bars, carbon and alloy	20,000	10,000	6,000
11b. Tubing (mechanical and pressure)	40,000	10,000	2,000
12. Wire rods (for wire drawing only)	40,000	.....	....
14. Black plate	40,000	.....	....
16. Sheets and strip, hot-rolled	40,000	20,000	6,000
17. Sheets and strip, cold reduced	20,000	10,000	6,000
19. Sheets and strip, all other (including long ternes)	20,000	10,000	....
20. Tool steel bars	1,000	1,000	....
21. Wheels and axles	40,000	20,000	....
22. Forgings, armor plate, and ordnance	20,000	20,000	....
23. Forgings, all other (rough forgings only)	20,000	20,000	....
24. Steel castings (rough castings only)	20,000	20,000	2,000
25. Skelp	40,000	.....	....
26. All other	40,000	20,000	6,000

Schedule B Products	Type of Steel *(Pounds)* Carbon	Alloy	Stainless
8. Hot-rolled bars, concrete reinforcing	40,000	.....	....
11a. Pipe and tubes (all kinds except mechanical and pressure tubing)	40,000	.....	....
13. Wire and wire products: *a.* Bale ties, nails, and welding rods (uncoated) *b.* Wire, woven fence wire, poultry netting, stucco netting, barbed wire, staples, fence posts and gates	40,000	.....	2,000
15. Tin and terne plate (short ternes)	40,000	.....	....
18. Galvanized sheet and strip	40,000	.....	....

(Continued on following page)

Warehouse will give below data concerning each priority certificate received and on which an extension is requested. All of the shipments listed below must represent materials in the same product classification as that stated on the reverse side of this form. List ratings in the order of their seniority; i.e., AA, A-1-a, A-1-b, . . . A-2, etc.

Preference Rating	Preference Rating Certificate Number or Customer's Purchase Order Number	Name of Customer	Date of Shipment From Stock	Weight *(Pounds)*
			Total.....	

The Warehouse named above certifies to the Producer and the War Production Board that: (1) the information stated hereon is true and correct; (2) deliveries of steel were actually made to customers on the dates shown and on the basis of each preference rating listed above; (3) the preference rating certificates listed hereon have not previously been extended to the same or another supplier to replace identical shipments; (4) documentary evidence of the ratings for which this extension is requested is available for examination in the files maintained by said warehouse as required by General Preference Order M-21; and (5) the order to which this rating will be applied, together with all other orders placed for shipment to stock during the current quarter, does not exceed the quota for this product classification assigned under Supplementary Order M-21-b.

....
(Signature of Warehouse Official (Title) (Date)

Section 35 (A) of the United States Criminal Code, 18 U. S. C. A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Vf·6,056. Discounts on bale tie wire maintained by Amendment to Schedule No. 6. By a formal Amendment effective March 16, 1942, manufacturers of bale tie wire are directed to continue customary discounts on sales to manufacturers of bale ties. By this Amendment the difficulties which bale tie producers have experienced due to the elimination of such discounts are obviated.

Amendment No. 1 to Revised Price Schedule No. 6 [1]
Iron and Steel Products

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

Section 1306.10(i) is hereby amended by adding a new additional proviso, and a new Section 1306.9A is added as set forth below:

Sec. 1306.10 **Appendix A—Domestic and export ceiling prices for sales by producers of iron and steel products.**

* * *

(i) . . . *Provided further,* That the discount or allowance to be made on bale tie low carbon Bessemer or basic manufacturers' wire, when sold to recognized manufacturers of bale ties, shall be not less than 40 cents per cwt. off the base price for such wire. Customary quantity discounts and other terms of payment shall also be continued without diminution or extra charge.

Sec. 1306.9A **Effective date of amendments.** (a) Amendment No. 1 (1306.10 (i) and 1306.9A) shall become effective March 16, 1942.

Issued this 16th day of March, 1942.

[1] 7 F.R. 1215.
[2] The Statement of Considerations has been filed with the Division of the Federal Register.

Vf·6,057. Charges for extras permitted under an amendment to Price Schedule No. 41. Effective March 16, 1942, producers of railroad specialties are permitted to add such extras as were customarily charged by them between October 1 and October 15, 1941. These extras apply to patterns which were experimental in nature and, therefore, not anticipated as production items. By the Amendment maximum prices for coupler repair parts are also set at October 1 to October 15 levels.

Amendment No. 1 to Revised Price Schedule No. 41 [1]
Steel Castings

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

The first paragraph and Table III of this Section 1306.113 are hereby amended and a new section 1306.110A is added to read as set forth below:

Sec. 1306.113 **Appendix B—Maximum prices for Railroad Specialties.** (a) The maximum prices, including extras except as hereinafter provided, for railroad specialties shall be as set forth in Tables I, II, III and IV of this Appendix: *Provided,* that

(1) An additional charge may be made by any producer for any extras furnished by such producer in cases where such extras were customarily charged by railroad specialty producers between October 1 and October 15, 1941, and the maximum amount of any additional charge for any such extra shall be the amount which was customarily charged by railroad specialty producers for the same extra between October 1 and October 15, 1941.

(2) An additional charge may be made by any producer for pattern costs for side-frames and bolsters where such pattern costs were customarily charged by such producer between October 1 and October 15, 1941, and the maximum amount of any additional charge for such pattern costs shall be the amount which customarily was or would have been charged by such producer for the same or similar pattern costs between October 1 and October 15, 1941.

(3) The maximum prices for coupler repair parts furnished by any producer shall be the prices which railroad specialty producers customarily charged therefor between October 1 and October 15, 1941.

(4) Where deliveries are made outside of base territory, there may be added charges for freight prevailing at time of delivery with the customary differential allowed to the purchaser, computed by methods used by the producer on October 1, 1941.

[1] 7 F.R. 1281.
[2] The statement of considerations has been filed with the Division of the Federal Register.

Copyright, March 26, 1942, Research Institute.

Table III—Couplers

(1) Furnished in Grade "B" Steel

A. A. R. STANDARD AND ALTERNATE STANDARD COUPLERS AND ATTACHMENTS

A. A. R. Type "E" top or rotary operating couples, 12" heads, with shanks not more than 21¼" long, fitted with 11" knuckles:

5"x 7" shanks, with 6½" butt ends	$55.75 per pair
5"x 7" shanks, with 9⅛" butt ends	57.05 per pair
6¼"x 8" shanks, with 6¼" butt ends	60.50 per pair
6¼"x 8" swiveling shanks, without butts, pins and cotters	60.50 per pair
Locomotive or Special Tender designs with shanks not over 21¼" long	34.25 each
Other special tender designs with unusual style shanks not over 21¼" long	.0845 pr. lb.
Passenger Coupler designs	.0845 pr. lb.

A. A. R. Alternate Standard Swivel Butts, complete with pins, pin retainers and cotters, when furnished for assembly with couplers having swiveling shanks:

In lots of 1 to 99 pcs. incl.	$17.50 per pair
In lots of 100 to 199 pcs. incl.	16.50 per pair
In lots of 200 pieces or more	15.50 per pair

A. A. R. Alternate Standard Swivel Yokes, complete with pins and cotters, when furnished for assembly with couplers having swiveling shanks:

In lots of 1 to 99 pcs. incl.	$37.90 per pair
In lots of 100 to 199 pcs. incl.	36.40 per pair
In lots or 200 or more pieces	34.90 per pair

FORMER M. C. B. COUPLERS

M. C. B. top operating freight, locomotive, or special tender couplers, 9¼" head, with shanks not over 21¼" long fitted with 9" knuckles...	$25.50 each
M. C. B. top, side, or bottom operating passenger couplers, not over 48" long from pulling face of knuckle to butt end, fitted with 9" knuckles, but not including the furnishing or application of wrought iron or steel straps, or separate wearing plates	30.00 each
Coupler Pockets complete, for use with locomotive coupler designs	.105 pr. lb.

SPECIAL M. C. B. COUPLERS No. 1 AND 2 COMPLETE COUPLERS

	Price each
Special M. C. B. No. 1 Top Operating Couplers with shanks not over 21¼" long and fitted with 3" knuckles:	
5x5" shanks, 6½" butt ends	$25.50
5x7" shanks, 6½" butt ends	25.50
Engine, Short shanks	25.50
Special M. C. B. No. 2 Top Operating Couplers, with shanks not over 21¼" long and fitted with 9" knuckles:	
5x5" shanks, 6½" butt ends	24.00
5x7" shanks, 6½" butt ends	24.00
Engine, Short Shanks	24.00

SPECIAL DESIGNS

	Drawing	Price each
Special M. C. B. No. 2 Coupler	Type "J"	$26.50
Special M. C. B. No. 2 Coupler	Type "H"	32.50
Special M. C. B. No. 2 Coupler	Type "M"	32.50
Special M. C. B. No. 2 Coupler	Type "T"	25.50
Special M. C. B. No. 1 Coupler	Type "S"	28.50

Special M. C. B. No. 2 Top Operating Unit Radial Coupler	$28.30
Special M. C. B. No. 2 Rotary Operation Unit Radial Coupler	29.30
Special M. C. B. No. 1 Top Operation Unit Radial Coupler	29.80
Special M. C. B. No. 1 Rotary Operating Unit Radial Coupler	30.80

INCOMPLETE TYPE "E" AND M. C. B. COUPLER AND COUPLER BODY PRICES

Type "E"

A.A.R. Standard Type "E" Coupler Bodies Only; Without Fittings:

	Per pair
5x7x6½"	$42.45
5x7x9⅛"	43.75
6¼x8x6¼", Rigid Shank	47.20
6¼x8x6¼", Swivel Shank	47.20
Locomotive, Short Shank	each 27.60

For determining prices of various other combinations of incomplete Type "E" Couplers, the following amounts for missing parts should be deducted.

		Type "E" freight couplers	Type "E" locomotive couplers
		per pair	each
Less Knuckles	Deduct	$8.72	$4.36
Less Lifters	Deduct	.92	.46
Less Knuckle Throwers	Deduct	.98	.49
Less Locks	Deduct	2.14	1.07
Less Knuckle Pins	Deduct	.54	.27

M. C. B.

M. C. B. Coupler Bodies Only; Without Fittings:

5x5x6½"	$20.60 each
5x7x6½"	20.60 each

For determining prices of various other combinations of incomplete M. C. B. Couplers, the following amounts for missing parts should be deducted.

		M. C. B. Couplers
Less Knuckles	Deduct	$3.05 each
Less Lifters	Deduct	.90 each
Less Locks	Deduct	.68 each
Less Knuckle Pins	Deduct	.27 each

FRACTIONAL SIZE COUPLERS

	Each
¾ Size Top Operating Freight or Tender Couplers without uncoupling chains, price	$19.50
¾ Size Bottom or Side Operating Freight or Tender Couplers, without uncoupling chains, price	21.00
¾ Size Top, Side, or Bottom Operating Passenger Couplers, without uncoupling chains, price	23.25
½ Size Top Operating Freight or Tender Couplers, without uncoupling chains, price	13.00
½ Size Coupler Pockets, price per lb.	.205

(2) Furnished in High Tensile Steel

A. A. R. STANDARD AND ALTERNATE STANDARD COUPLERS AND ATTACHMENTS

	Per pair
A. A. R. Type "E" top or rotary operating couplers, 12" heads with shanks not more than 21¼" long, fitted with 11" knuckles:	
6¼x8" shanks with 6¼" butt ends	$67.25
6¼x8" swiveling shanks, without butts, pins, and cotters	67.25
A. A. R. Alternate Standard Swivel Butts, complete with pins, pin retainers and cotters, when furnished for assembly with couplers having swiveling shanks:	
In lots of 1 to 99 pcs. incl.	19.65
In lots of 100 to 199 pcs. incl.	18.40
In lots of 200 pieces or more	17.15
A. A. R. Alternate Standard Swivel Yokes, complete with pins and cotters, when furnished for assembly with couplers having swiveling shanks:	
In lots of 1 to 99 pcs. incl.	42.15
In lots of 100 to 199 pcs. incl.	40.25
In lots of 200 pieces or more	38.40
	Each
A. A. R. Standard Tight Lock Coupler Complete T-80	111.25
A. A. R. Standard Tight Lock Coupler Yoke, Y-50, complete with Radial connection, Radial seat and pins	112.50
Type "E" Controlled Slack Coupler, Complete:	
C. S. C.—1	62.30
C. S. C.—2	92.80
C. S. C.—3	94.60
C. S. C.—4	71.05
C. S. C.—5	78.65

Sec. 1306.110A **Effective Date of Amendments.** (a) Amendment No. 1 (Section 1306.110A and 1306.113) to Revised Price Schedule No. 41 shall become effective March 16, 1942.

Issued this 12th day of March, 1942.

Vf·6,058. Transportation charges increased by amendment to Price Schedule No. 4. Due to the 6% transportation surcharge which became effective March 18, 1942, the Iron and Steel Scrap price schedule was amended as of that date to permit the addition of the increased freight cost. While the price for No. 1 Heavy Melting Scrap will continue to net the shipper $17.91 per gross ton, the switching charge is increased from $0.84 to $0.89, bringing the total price up to $18.80. The "dollar springboard' is also changed so that no more than $1.00 per ton plus the increase in transportation charges from shipping point to point of delivery may be paid. Similarly, the permissible off-the-line haul for scrap originating from basic point railroads was changed to $1.06 and $2.12 respectively. The emergency rate increases may also be added to the price of cast iron scrap. In all cases the new freight charge must be shown separate on the invoice.

The second change introduced by this amendment concerns allocation orders by the War Production Board. The consumer is permitted on such allocation orders to pay the additional transportation charge where the shipping point price plus freight will bring the delivered price beyond the "springboard" allowance. The only restriction is that the most economic means of transportation must be used and that copies of the allocation order must be retained by shipper and consumer.

Amendment No. 1 to Revised Price Schedule No. 4 [1]— Iron and Steel Scrap

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[2]

Sections 1304.6, 1304.13(c) (3) and 1304.14(a) are amended to read as follows; Section 1304.13(d) (3) including exceptions 1 to 8 is redesignated as Section 1304.13(d) (4) and amended to read as follows; Two new paragraphs, Section 1304.13(d) (3) and Section 1304.15(b) (3) are added and a new Section 1304.12a is added; as set forth below:

Sec. 1304.6 **Commissions.** No commission shall be payable hereunder, except by a consumer to a broker for brokerage services rendered to the consumer. In the event that a consumer shall employ a broker to purchase iron and steel scrap, such consumer may pay such broker a commission not exceeding 50 cents per gross ton. No commission shall be payable unless (a) the broker guarantees the quality and delivery of an agreed tonnage of scrap; (b) the scrap is purchased by the consumer at a price not higher than the maximum applicable herein; (c) the broker sells the scrap to the consumer at the same price at which he purchased it; (d) the broker does not split or divide the commission, in whole or in part, with the seller or sellers of the scrap, with another broker or subbroker, or with the consumer, and (e) the commission is shown as a separate item on the invoice. No commission shall be payable to a person for scrap which he prepares.

Sec. 1304.13 **Appendix A. Maximum prices for iron and steel scrap other than railroad scrap.**

* * *

(c) *Maximum shipping point prices.*

* * *

(3) *Established charges.*

(i) The transportation charges or switching charges used in computing shipping point prices need not reflect any rise in rates which became effective after March 14, 1942;

(ii) No charge shall be deemed an established charge within the meaning of Price Schedule No. 4 unless it has been the basis of actual movement of scrap to the most favorable basing point during the calendar year 1941.

* * *

(d) *Maximum prices delivered to the plant of a consumer.*

* * *

(3) For the purpose of computing maximum delivered prices under this paragraph, any increase in transportation charges resulting from a rise in rates which became effective after March 14, 1942 may be included only if shown as a separate item on the invoice.

(4) In no case, however, shall the delivered price exceed the price listed in paragraph (a) for the basing point nearest, in terms of established transportation charges, to the consumer's plant, by more than $1.00 plus any increase in the transportation charge from shipping point to point of delivery resulting from a rise in rates which became effective after March 14, with the following exceptions:

Exception 1. For consumers having St. Louis as their nearest basing point the delivered price may not exceed the St. Louis basing point price by more than $1.50 plus any increase in transportation charges mentioned in (d) (3) above: *Provided,* That the delivered price of scrap shipped to such consumers from shipping points in Arkansas may not exceed the St. Louis basing point price by more than two dollars plus any increase in transportation charges mentioned in (d) (3) above. For consumers whose nearest basing points are Detroit, Birmingham and Alabama City, respectively, the delivered price may not exceed by more than two dollars plus any increase in transportation charges mentioned in (d) (3) above, the price at their respective basing points.

Exception 2. In the case of machine shop turnings or related grades of turnings, as defined herein, delivered to electric furnace producers of ferro alloys, and in the case of chemical borings delivered to chemical users thereof, the delivered price shall not be limited to one dollar, etc., in excess of the price at the basing point nearest the consumer's plant.

Exception 3. "Remote Scrap" means all the kinds and grades of iron and steel scrap referred to in Section 1304.13, Appendix A, and having a shipping point and a point of origin within the states of Montana, Idaho, Wyoming, Nevada, Arizona, New Mexico, Texas, Oklahoma, Florida, Oregon, Utah, North Dakota, South Dakota and Washington. Colorado scrap shall be remote scrap for Colorado consumers only.

(i) The delivered price of remote scrap may exceed by more than $1.00 but not more than $5.00 the price at the basing plant nearest the consumer's plant: *Provided,* That immediately upon delivery of such scrap, the consumer files with the Office of Price Administration, Washington, D. C., (a) a fully detailed statement under oath setting forth the name and address of the seller, the shipping point of the scrap, the grade, quantity and price at shipping point, delivered price, the mode of transportation employed and the transportation charges from the shipping point to the point of delivery, and (b) certified copies of all bills of lading covering the shipment of such scrap from the remote shipping point to the point of delivery.

(ii) Where the delivery price of remote scrap would exceed by more than $5.00 the price at the basing point nearest the consumer's plant, the consumer may not purchase or accept delivery of such scrap until his application to the Office of Price Administration, Washington, D. C., for permission to absorb the additional transportation charges necessary to secure such scrap has been approved. Applications by consumers must be under oath and fully detailed, setting forth the name and address of the seller, point of shipment of the scrap, the grade, quantity and price at shipping point, proposed delivered prices, the mode of transportation to be employed, and the transportation charges from the shipping point to the consumer's plant. The application must also contain a statement by the consumer of its need for, and its willingness to accept, such scrap at the price quoted.

Immediately upon delivery of such scrap, the consumer must comply with the filing requirements of paragraph (i)(b) above.

Exception 4. Where scrap is shipped by vessel from Duluth, Minnesota, or Superior, Wisconsin, to consumers located in Buffalo, New York, Elyria, Ohio, Cleveland,

[1] 7 F.R. 1207.

[2] The Statement of Considerations has been filed with the Division of Federal Register.

Copyright, April 7, 1942, Research Institute.

Ohio, Saginaw, Michigan, Detroit, Michigan, or Chicago, Illinois, the delivered price shall not be limited to one dollar etc., in excess of the basing point nearest the consumer's plant.

Exception 5. In computing the delivered price of Billet, Bloom and Forge crops originating in and shipped from the Pittsburgh Basing Point, the maximum transportation charges which may be added to the shipping point price shall be $2.65.

Exception 6. The delivered price of Low Phos. and Sulphur Punchings and Plate Scrap, Low Phos. and Sulphur Bar Crops and Smaller, Alloy Free Low Phos. and Sulphur Turnings, and First Cut Heavy Axle and Forge Turnings produced in industrial plants in the State of Michigan and shipped directly to consumers located in or nearest, in terms of established transportation charges, to the Buffalo, N. Y., Pittsburgh, Breckenridge, or Midland, Pa., basing point, shall not exceed by more than $3.00 plus any increase in transportation charges mentioned in (d)(3) above the price at the basing point nearest the consumer's plant.

Exception 7. Where scrap is shipped from a New England shipping point, the maximum transportation charges which may be added to the shipping point price shall be $6.65 per gross ton.

Exception 8. Where the shipping point price of scrap is computed from water rates, and water movement is not available the year round, consumers who can establish that they did receive delivery of such scrap by water within $1.00 of the price at their nearest basing point between April 15 and November 15, 1941, may pay the shipping point price plus all-rail transportation charges from the shipping point to the point of delivery whenever water movement is not available.

Exception 9. Where scrap is shipped pursuant to an allocation order issued by the War Production Board, the delivered price shall not be limited to $1.00 etc., in excess of the price at the basing point nearest the consumer's plant: *Provided, however,* That in all such cases, the most economical transportation facilities must be employed. For example, but not by way of limitation:

(i) If vessel or rail-vessel or vessel-rail facilities are available from shipping point to point of delivery, and use of such facilities will result in lower transportation charges than all-rail movement, the maximum transportation charges which may be added to the shipping point price may not exceed the charges which would apply if the cheapest available facility were employed;

(ii) Where the most economical method available involves rail movement, the rail transportation charges must be computed on the basis of the rates for the highest minimum carload weight.

Sec. 1304.14 **Appendix B. Maximum prices for Iron and steel scrap originating from railroads.** —(a) *Scrap originating from railroads—operating in a basing point named below* (all prices given below are per gross ton). The scrap is at its point of delivery to the consumer when it has arrived for unloading at the plant of the consumer. Where used in this appendix, the term "transportation charges" means the established charges for transporting the scrap to the point of delivery by the mode of transportation employed. The term "transportation charges" shall include any increase in transportation charges resulting from a rise in rates which became effective after March 14, 1942; and where specific amounts of allowable transportation charges are mentioned, there may be superadded thereto 6% of such allowable charge. In no case shall the maximum delivered price include any charge or cost incurred in unloading the scrap at the point of delivery or in subsequent handling.

Sec. 1304.15 **Appendix C. Maximum prices for cast iron scrap other than railroad scrap.** (All the prices given below are per gross ton.)

(b) *Maximum price delivered to a consumer.*

(3) For the purpose of computing maximum delivered prices under this paragraph, any increase in transportation charges resulting from a rise in rates which became effective after March 14, 1942 may be included.

Sec. 1304.12a **Effective dates of amendments.** (a) Amendment No. 1 (Sections 1304.6, 1304.12a, 1304.13(c)(3), (d)(3), (d)(4), 1304.14(a), 1304.15(b)(3) to Revised Price Schedule No. 4 shall become effective March 18, 1942.

(Pub. Law 421, 77th Cong., 2d Sess.)

Issued this 18th day of March, 1942.

Vf·6,059. Shipping point determination under iron and steel scrap schedule. In an official interpretation of Schedule No. 4, OPA stated that where the operator of a scrap yard delivers scrap to the consumer by truck from the scrap yard to a railroad yard, and from there by rail to the consumer's plant, the scrap is not at its shipping point until it is placed f.o.b. at the railroad car.

Vf·6,060. A controlled company may not charge brokerage commission. OPA ruled where a dealer prepares scrap and sells it through a sales company in which he holds a substantial financial interest, the sales company may not charge a brokerage commission on such scrap.

Vf·6,061. Application procedure outlined by Amendment No. 2 to Revised Schedule No. 6. In a formal amendment the Price Administrator outlined the principal considerations involved in making and acting upon applications for amendment, adjustment, or exception.

observation: The amendment does not require that production costs be above the mill net realization at ceiling prices. Even where the mill net realization is merely considered not sufficient to permit continued operations, a petition may be filed.

observation: In acting on petitions OPA will not only consider the current, requested, and projected realization on the particular products but also the total operations of the mill or of all mills operated by the applicant. Thus the mere fact that production costs are high may not entitle you to an exception unless these higher costs cannot be absorbed by profits from other operations. (See Vf·6,062)

observation: The amendment for the first time introduces the necessity for an adjustment in the interest of the war effort as a criterion for decisions on specific petitions for amendment or exception. Particularly emphasized are those difficulties created by the necessity of shipping into areas not normally served and the absorption of abnormally high transportation costs resulting from the lack of customary means of transportation.

recommendation: In all instances where you find it necessary to file a petition, make sure that you demonstrate the essential character of your

operations in the war effort. Proof of this essential character of your operations may be given by testimonials of the contracting officer to whom your products eventually are shipped, or by copies of priority and allocation orders under which you are operating.

Amendment No. 2 to Revised Price Schedule No. 6 [1]— Iron and Steel Products

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

Section 1306.7 is amended to read as follows:

Sec. 1306.7 **Petitions for amendment, adjustment or exception.** (a) Persons seeking any modification of this Revised Price Schedule No. 6 or an adjustment or exception not provided herein, may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.

(b) Any person, who is prepared to show that (1) its cost of production of iron and steel products is above its mill net realization on such products at ceiling prices or (2) its mill net realization is inadequate in view of its high operating costs for continued operations at ceiling prices, may file a petition for an adjustment of the maximum prices established by Revised Price Schedule No. 6. In such cases the petitioner should submit, and the Office of Price Administration will consider, all relevant data, including the relation of the current, requested, and projected realization on the particular iron and steel products, or on the particular mill, to the total over-all return of the petitioner, and, the necessity, in terms of the war effort, for the granting of such adjustment or exception. The Office of Price Administration may require, in connection with any such petition, full data on costs, profits, and other relevant factors. Petitions for adjustment pursuant to this section shall be filed in the manner stated in Secs. 1300.39 through 1300.41 of Procedural Regulations No. 1 issued by the Office of Price Administration.

(c) Any producer of iron and steel products may file a petition for an exception from the ceiling prices established by this Price Schedule for a sale or group of sales of iron and steel products which are necessitated by the war effort and involve shipment into areas not normally served by such producer or the absorption of abnormally high transportation costs resulting from the lack of customary means of transportation. In all such cases, the petitioner should submit, and the Office of Price Administration will consider data indicating the reasons for which the particular shipment is abnormal, and the relation of such shipments to the war effort. The petition must also state the absence of other provisions in Revised Price Schedule No. 6 which will afford relief to the petitioner. In considering such petitions, the Office of Price Administration may require data in the manner stated in paragraph (b) of this section. Relief granted may include, as well as such other provisions as may be appropriate, permission to sell iron or steel products on an f.o.b. mill basis. Petitions for exception pursuant to this section shall be filed in the manner stated in Sections 1300.39 through 1300.41 of Procedural Regulation No. 1 issued by the Office of Price Administration.

* * *

Sec. 1306.9a **Effective date of amendments.**

* * *

(b) Amendment No. 2 (Sections 1306.7 and 1306.9(b)) shall become effective March 25, 1942. (Pub. Law 421, 77th Cong., 2nd Sess.)

Issued this 24th day of March, 1942.

---

[1] 7 F.R. 1215, 2153.

[2] Filed with the Division of the Federal Register; * * *.

Vf·6,062. Specific exemption granted under Schedule No. 6. In Order No. 1 under the Revised Iron and Steel Products Schedule No. 6, the Joslyn Manufacturing & Supply Company of Chicago has been given permission to sell hot rolled bars at $2.35 per cwt. base Chicago, and hot rolled strip at $2.30 per cwt. base Chicago.

observation: The company originally applied for permission to charge $2.65 and $2.60 respectively for the two products. In granting a portion of the request, the Price Administrator pointed out that production costs must be considered in the light of the over-all operations of the petitioner. In this particular instance the company engages primarily in the fabrication of products not covered by Schedule No. 6, and the operation of a small steel mill in Chicago constitutes only a small part of its total business. The separable nature of those steel operations induced the Administrator to consider it a separate unit. However, because of the profitability of the applicant's other operations, relief was only granted to the extent necessary to cover production costs, depreciation, and selling and administrative expenses directly allocable to the Chicago mill.

Vf·6,063. Exemption denied under Price Schedule No. 6. The request of the Ford Motor Company of Dearborn, Michigan to be permitted to sell rerolling billets allocated by a Treasury Procurement Allocation Order at higher than ceiling prices, f.o.b. Dearborn, Michigan, was denied and only a change in the price basis from Cleveland, Ohio to Dearborn, Michigan approved.

observation: The permission to depart from the Cleveland basing point was granted because the applicant would have had to absorb freight in a manner not usually assumed by a steel company and entirely attributable to the allocation program. The high production costs which the Ford Motor Company stressed were found by OPA to be due not to normal manufacturing operations but to the peculiar methods of allocating overhead and other costs which the company employed; these methods were appropriate for the automobile production but out of place in steel making, and OPA found that by using customary methods of computing steel costs no reason was present for the granting of the application.

Copyright, April 7, 1942, Research Institute.

Vf·6,064. Export provisions changed by Amendment No. 1 to revised Price Schedule No. 49. Effective March 28, 1942, the Iron and Steel Products Resale Schedule has been amended to provide relief under difficult export conditions:

(1) Inventories acquired before December 15, 1941 may be sold at the normal maximum plus any storage charges, demurrage, and similar charges accumulated because of failure to secure shipping space; the exporter's commission as provided under the original order may, of course, also be added. If this formula still results in undue hardship, a petition for exception may be filed.

(2) Shipments destined for export and actually transferred to a port of exportation before March 1, 1942, are treated separately as distressed and stranded iron and steel products. In this same group are shipments which were on the high seas on December 7, 1941 and ordered back to west coast ports and unloaded, and also shipments originally destined for France, the Netherlands, or similar European receiving points. If such stranded materials are sold for export, ocean freight, insurance, storage charges up to 5% due to failure to secure shipping space, fees, commissions, and other export charges may be added to the maximum. If the material is sold domestically, specific export fees, commissions, and charges are of course not applicable.

Observation: Where such stranded goods are requisitioned by the government, they will be paid for at the fair market value. OPA officials pointed out that such fair market value might be less than the ceiling price and probably would not exceed the regular maximum.

(3) Special provision is made for exceptional cases if the Board of Economic Warfare certifies that for political or military reasons a price above the ceiling should be approved. Upon receipt of the BEW certificate, the Price Administrator will consider granting the specific exception.

Amendment No. 1 to Revised Price Schedule No. 49 [1]
Resale of Iron and Steel Products

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

A new paragraph (r) is added to Section 1306.157; a new paragraph (n) is added to Section 1306.159; and a new Section 1306.158A is added as set forth below:

Sec. 1306.157 **Definitions.**

* * *

(r) "Distress or stranded material" means any iron or steel products which:

(1) were intended for an export shipment

(2) were shipped to a port of exportation prior to March 1, 1942; and

(3) have incurred charges for ocean freight, marine or war risk insurance or storage charges directly attributable to failure to secure shipping space as a result of war or of stoppage or diversion by act of a governmental agency in the interests of national defense.

Sec. 1306.159 **Appendix A. Domestic and export maximum prices for iron and steel products.**

* * *

(n) *Special provisions for certain export cases and for the sale of distress and stranded materials.*

(1)(i) Despite the provisions of any other section of this Revised Price Schedule No. 49, the maximum price on a sale for export by any person other than a producer of iron or steel products, for an inventory or iron or steel products which was actually acquired by the holder prior to December 15, 1941, shall be:

(*a*) The maximum price for an export sale as established by Revised Price Schedule No. 6 or Revised Price Schedule No. 49, exclusive of fees and commissions payable to an export agent or an export merchant; plus

(*b*) Storage or demurrage charges which have accumulated because of failure to secure shipping space as a result of war or of stoppage or diversion by act of a governmental agency in the interests of national defense; plus.

(*c*) Commissions as stated in and subject to the conditions and limitations of paragraph (e), Maximum prices *for exports of iron or steel products.* Such commissions may be computed on the basis of the total of (*a*) and (*b*), above.

(ii) In the case of any export sale of inventory actually acquired by the holder prior to December 15, 1941, in which the invoiced cost of the inventory to the holder exceeds the maximum price established by (i) above, a petition for exception may be filed with the Office of Price Administration. Such a petition must clearly demonstrate:

(a) Actual delivery to the holder prior to December 15, 1941;

(*b*) Invoiced cost of inventory exceeding the maximum price established by (i) above; and

(*c*) The presence of unusual financial hardship resulting from inability to absorb a loss which would be occasioned by sale at the maximum price established by (i) above.

(iii) A brief statement of the details of any sale made pursuant to (i) above shall be filed with the Office of Price Administration within 10 days of such sale.

(2)(i) In the case of distress or stranded material, the maximum price which may be charged by any person other than a producer of iron or steel products for export to any place outside the territorial limits of the United States shall be:

(*a*) The export ceiling price as established by this Revised Price Schedule No. 49 or Revised Price Schedule No. 6 at the place at which the material is located, exclusive of any fees, commissions or charges for any export agent, export merchant, or other intermediary; plus

(*b*) Ocean freight and marine or war risk insurance incurred since November 15, 1941, to the extent actually paid on such material; plus

(*c*) Storage or demurrage charges directly attributable to failure to secure shipping space as a result of war or of stoppage or diversion by act of a governmental agency in the interests of national defense, not however to exceed 5% of the export ceiling price (as calculated without reference to this subparagraph (2)) at the place at which the material is stored.

(*d*) On export sales, commissions as stated in and subject to the conditions and limitations of paragraph (e) *Maximum prices for exports of iron or steel products,* may be charged. Such commissions in all cases shall be computed on the basis of ceiling prices without regard to this paragraph (r).

(ii) In the case of distress or stranded material, the maximum price which may be charged by any person for resale within the United States shall be:

(*a*) The domestic ceiling price as established by this Revised Price Schedule No. 49 or Revised Price Schedule No. 6 at the place at which the material is located, exclusive of any fees, commissions or charges for any agent, broker, or other intermediary, whether such agent, broker, or other intermediary act in a domestic or export transaction; plus

[1] 7 F.R. 1300.
[2] The Statement of Considerations has been filed with the Division of the Federal Register.

(*b*) Ocean freight and marine or war risk insurance incurred since November 15, 1941, to the extent actually paid on such material; plus

(*c*) Storage or demurrage charges directly attributable to failure to secure shipping space as a result of war or of stoppage or diversion by act of a governmental agency in the interests of national defense, not however to exceed 5% of the domestic ceiling price (as calculated without reference to this subparagraph (2)) at the place at which the material is stored.

(iii) The maximum price as established in (i) and (ii) may be an f.o.b. price at the place at which such material is stored.

(iv) In any case in which a sale is made pursuant to the terms of this subparagraph (2), a statement of the source of such material, the charges incurred upon it, and the destination and price actually charged shall be filed with the Office of Price Administration. Where a domestic sale is to be made, the statement shall include the name of the purchaser, the priority rating applicable to the sale, and an affirmation that the material so sold has not been otherwise allocated or set aside by the War Production Board. Where the sale is for export, the statement shall include a copy of the application for an export license, and a notation of the date upon which such application was granted, and the terms of any conditions imposed upon the grant of a license. Any such statement shall be in affidavit form.

(v) This subparagraph (2) shall affect only voluntary sales, and shall not affect the maximum price at which any iron or steel products may be requisitioned.

(vi) This subparagraph (2) shall be in effect until July 1, 1942, and shall be of null effect and validity after that date, unless specifically extended by the Office of Price Administration.

(3) Shipments which fall within the terms of both subparagraphs (1) and (2) of this paragraph (n) may be priced at the maximum price established under either, at the option of the seller.

(4) An exception to the export provisions of this Revised Price Schedule No. 49 may be granted by the Administrator either upon petition or upon his own motion, in any case in which a certificate is received by the Administrator from the Board of Economic Warfare, certifying that such exception is necessary for considerations of political or military necessity, or because of the requirements of economic warfare. Such exception may be granted by the Administrator upon such terms and conditions as shall appear reasonable under all of the circumstances.

Sec. 1306.158A **Effective dates of amendments.** (a) Amendment No. 1 (1306.157(r), 1306.159(n), 1306.158A) to Revised Price Schedule No. 49 shall become effective March 28, 1942 except that 1306.159(n)(2) and 1306.159(n)(3) shall expire July 1, 1942. (Pub. No. 421, 77th Cong., 2nd Sess.)

Issued this 27th day of March, 1942.

Vf·6,065. No special record requirements for retailers under Schedule No. 49. Interpreting the record requirements of Schedule No. 49, OPA stated that even though every person making sales or purchases for resale of iron and steel products was required to keep records, retail sellers need not maintain any other than their usual and ordinary records.

Vf·6,066. Plate deliveries under M-21-c to large inventory holders suspended. In the first action of its kind taken under the terms of the steel plate allocation Order M-21-c, the Division of Industry Operations on March 14, 1942 instructed suppliers of steel plates to make no further shipments except for locomotive boilers and fire boxes, to the Pennsylvania Railroad, New York Central Railroad and Louisville and Nashville Railroad. The action was taken as a result of information contained in the first filing of inventory reports called for by the Iron and Steel Branch of WPB. The reports showed that in the case of the Pennsylvania Railroad, inventory on hand in plates was approximately 7 times the reported average monthly use; in the case of the Louisville and Nashville, inventory was more than 13 times the average monthly use, and for the New York Central the inventory was more than 7 times the average monthly use.

Vf·6,067. Steel plate consumers asked to conform to standards. Consumers of steel plates were asked on March 23, 1942 by the Iron and Steel Branch, WPB, to conform to a list of requirements in placing orders so that all plates possible may come from continuous strip mills. The requirements are:

Edges—Universal or strip mill edge should be acceptable for all plates that can be rolled within the limits of strip mills.

Widths—Plates should be 72" and narrower wherever practical on account of the larger number of units available in the industry. (6 strip mills can produce plates up to 72" wide, 1 up to 84" and 3 up to 90".)

Gauges—Gauges should be held to a minimum number. If possible, from $\frac{3}{16}$" to $\frac{3}{4}$" use only increments of $\frac{1}{32}$"; and from $\frac{3}{4}$" to 1½" increments of $\frac{1}{16}$". Most strip mills can produce plates up to ¾" thick; some can produce thicker plates and some are confined to thinner gauges.

Lengths—To the fullest extent possible, lengths should be held to 30 feet and under, on account of the number of mills whose maximum length is 30 feet to 30 feet 6 inches. Multiples of short lengths desirable, but not to exceed 30 feet 6 inches.

Tonnage—A minimum of 10 tons per item for any width, gauge and length is required in order to obtain maximum strip mill production.

Marking—The marking requirements should be kept to a minimum that will properly identify the item.

Purchasing—Orders should be placed as far in advance as possible, giving full specifications and order of sequence. This should be not less than 30 days in advance of the first day of the month in which shipment is desired and preferably earlier.

Design—In designing new boats, particular attention should be given to the above requirements.

Stock—Any orders for stock material should be kept to a minimum number of widths and lengths.

Copyright, April 7, 1942, Research Institute.

Vf·6,068. Form PD-353—request for material applying to steel allocation.

WAR PRODUCTION BOARD
Iron and Steel Branch
Washington, D. C.

Request for Material Applying to Steel Allocation Order ..... Dated ..... on
Lend Lease Requisition No..... for Steel Forgings

To: War Production Board, Iron and Steel Branch, Forgings and Castings Unit Tempo R Bldg., Washington, D. C.
From: ....
Forging Producer Producer's Address

This information is required to secure steel for forgings, die blocks, and trimmers on this allocation order.

1. Return this form in quadruplicate within ten days of date of allocation order listed above. Every copy of a request must show the Steel Allocation Order No. and the Lend Lease Requisition No.
2. Make out separate forms for each forging sub-contractor involved, if any, in accordance with the further instructions in paragraph (3) below.
3. Make out a separate form for each *grade* of carbon steel, alloy steel, die blocks, and trimmer steel.
4. Type of material required; check (1) one. List at least three sources of supply.

Steel ( ) (1)
Die Blocks ( ) (2)
Trimmer Steel ( ) (3)

Bill of Material

A. To whom is this material to be consigned? ....
Name of Forging Producer
.....
Address

B. Give complete details as listed below and itemize to agree with the material list accompanying the Lend Lease Requisition.

C. *Material List.*

Item No.	Quantity	Type (EF or OH)	Size	Section	Grade	Annealing or Other Special Treatment	Delivery Dates Required

.....Company
.....
Signature of Authorized Official
Reference to Allocation Order No..... .....
Date

Vf·6,069. Form PD-391—monthly alloy steel melting schedule.

PD-391

NAME OF COMPANY _____

_____

(PLANT NAME AND LOCATION)

WAR PRODUCTION BOARD
IRON AND STEEL BRANCH
WASHINGTON, D. C.

ALLOY STEEL MELTING SCHEDULE FOR MONTH OF _____

PRODUCER'S HEAT NO. (1)	CUSTOMER'S NAME (2)	CUSTOMER'S ORDER NO. (3)	MILL ORDER NO. (4)	PROMISED DELIVERY DATE (5)	WEIGHT OF PRODUCT IN NET TONS (6)	AISI OR NE GRADE OR SPECIFICATION (7)	MEAN OF CHEMISTRY C. (8)	Mn. (9)	Ni. (10)	Cr. (11)	Mo. (12)	V. (13)	W. (14)	Co. (15)	SUGGESTED ALTERNATE GRADES (SEE INSTRUCTIONS) (16)

IRON, STEEL AND ALLOY METALS

Form PD-391 *(Cont'd)*

FURNISH THE FOLLOWING INFORMATION AND RETURN ON OR BEFORE THE LAST DAY OF EACH MONTH TO IRON AND STEEL BRANCH, TEMPO R BUILDING, WASHINGTON, D. C.

SHEET NO._____ OF _____ SHEETS

CONFIDENTIAL FOR USE OF FEDERAL DEFENSE AGENCIES ONLY

LINE	END PRODUCT		GOVERNMENT CONTRACT NO.	PREFERENCE RATING CERTIFICATE NO. OR ALLOCATION NO.	PREFERENCE RATING OR ALLOCATION SYMBOL P OR PD NO.	NET TONS INGOTS IN SCHEDULE	CONTAINED ALLOY NECESSARY TO MELT INGOTS						CHANGES IN SCHEDULE DIRECTED BY W. P. B.
	END-USE CLASSIFICATION NO.	SPECIFIC PART (NAME)					NI. LBS. NEEDED FOR MELTING	CR. LBS. NEEDED FOR MELTING	V. LBS. NEEDED FOR MELTING	MO. LBS. NEEDED FOR MELTING	W. LBS. NEEDED FOR MELTING	CO. LBS. NEEDED FOR MELTING	
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)
1.													
2.													
3.													
4.													
5.													
6.													
7.													
8.													
9.													
10.													
11.													
12.													
13.													
14.													
15.													
16.													
17.													
18.													
19.													
20.													
21.													
22.													
23.													
24.													
25.													
26.													
27.													
28.													
29.													
30.													
* TOTAL POUNDS OF ALLOYS NEEDED													

IENT OR AGENCY OF THE

29717

(Continued on following page)

General Instructions

Form PD-391 *(Cont'd)*

Each producer shall file with the WPB on or before the last day of each month, beginning March 1942, on this form his scheduled melting production of alloy iron or alloy steel (except Tool Steels) for the second following month. File separate sheets for orders originating from each of the following sources: Army and Navy aircraft or engines, Army Ordnance, Navy, Lend-Lease, Maritime Commission, Commercial Aircraft, and all others, grouping together all items constituting a heat. Designate heat lots by consecutive numbers. List all heat lots consecutively by grades or specifications. Filing of this form does not eliminate the necessity of filing applications required in connection with allocation of nickel, chromium, molybdenum, vanadium, tungsten, cobalt. Identify at top of sheet whether the sheet relates to Army Ordnance, Navy, Lend-Lease, Maritime Commission, Commercial Aircraft. and "all other."

Specific Instructions

Column No. 1
Group by heat lots, listing each customer, etc., for whom heat will be used, and give each a number.

Column No. 5
Scheduled delivery date for each item reported.

Column No. 6
List tonnage of each item in the form in which it will be shipped.

Column No. 16
Recommend grades of steel containing less alloys to be used for purpose indicated, when the producer so desires. Do not alter Army or Navy chemical or physical specifications.

Columns No. 17 and 18
List each product in accordance with use by symbol as shown in end use classifications: Example—1.31—Aircraft.
If the end use is unidentifiable from your records, use classification symbol 17.00. If total of such orders exceeds 10% of total orders listed, explain reasons on a separate attached sheet.

Column No. 20
Give preference rating certificate number or allocation number with symbols for each.

Column No. 21
Give preference rating with A.N.M.B. code number (Example A-1-b-14) or P or PD number.

Column No. 22
Give ingot tonnage necessary to produce the tonnage of each product listed in Column No. 6.

Columns No. 23 to 28 incl.
Show in these columns the melting weight of contained element for each order listed. In order to insure uniform reporting, all consumers are directed to complete the information called for in these columns on the basis of the following formula:

$$\frac{\text{Lbs. Shipping Weight (steel or iron)}}{\%\ \text{Ingot (or casting) yield}} = \text{Ingot (or casting) weight lbs.}$$

Ingot weight lbs. × percent (%) element content of ingot (or castings) (or castings)

equals

Lbs. contained element in ingots (or castings)

Lbs. contained element in ingots (or castings)

minus

Lbs. element from scrap (or/and ore if added for element content)

equals

Lbs. element from alloys

$$\frac{\text{Lbs. element from alloys}}{\text{Element furnace efficiency (\% recovered)}} = \text{Lbs. element required (not ferro)}$$

"Lbs. element (not ferro) required" from the above calculations is the figure that should be recorded in these columns.

(Sub-Columns No. 24 to 27 incl.) In these columns use the following letters to designate the element to be used for producing.

Chrome

A Chrome Metal
B .06 Low Carbon Ferro-Chrome
C .10 " " " "
D .15 " " " "
E .20 " " " "
F .50 " " " "
G 1.00 " " " "
H 2.00 " " " "
J High Carbon Ferro-Chrome
K Chrome X
L Ores and Concentrates (not for refractory uses)
M Others (specify)

Molybdenum

Q Ferro
R Molybdic Oxide—Cans
S Molybdic Oxide Briquettes
T Calcium Molybdate
U Miscellaneous

Vanadium

A V 205
B Open Hearth Grade
C Crucible Grade
D Primos
E Grainal

Tungsten

F Ferro
G Ore and Concentrates
H Scrap

Column No. 29

Do not fill out this column.

*Total pounds of each alloy needed to produce ingot weight in schedule is to be reported in space provided at bottom of form.

(Continued on following page)

Copyright, April 7, 1942, Research Institute.

IRON, STEEL AND ALLOY METALS

End Use Classification

Form PD-391 *(Cont'd)*

Class 1.00—Military

Aircraft—Production and Maintenance (complete except for armament and ammunition)
- 1.11 Bombers—Heavy and Medium
- 1.12 Bombers—Dive, Light, Scout, and Torpedo
- 1.13 Fighters
- 1.14 Observation and transports
- 1.15 Training and all others

Ammunition—Production and Maintenance (complete items)
- 1.21 Ammunition 20 mm. and above
- 1.22 Ammunition, small arms below 20 mm.
- 1.23 Bombs, depth charges, mines, and torpedoes
- 1.24 Propellants, chemicals, explosives
- 1.25 Pyrotechnics

Armament and Weapons—Production and Maintenance (complete with mounts and related equipment)
- 1.31 Aircraft
- 1.32 Anti-aircraft, Barrage Balloon equipment; A. A. Searchlight
- 1.33 Artillery including railway and seacoast
- 1.34 Fire control, all types
- 1.35 Machine guns—ground, hand arms
- 1.36 Naval, all types
- 1.37 Tank and Anti-tank
- 1.38 Weapons and all other types

Ships—Production and Maintenance (complete except for armament and ammunition)
- 1.41 Aircraft Carriers, Battleships, Heavy Cruisers
- 1.42 Destroyers, Light Cruisers, Corvettes and Sub-chasers
- 1.43 Freighters, Tankers, and Transports—Army and Navy only
- 1.44 Ships for Maritime Commission
- 1.45 Mine layers, sweepers, planters, and patrol torpedo boats
- 1.46 Submarines
- 1.47 All other ships and boats, including small special purpose boats

Vehicles—Production and Maintenance (complete except for armament and ammunition)
- 1.51 Tanks and armored vehicles—all types
- 1.52 Vehicles, except rail—all other military types

War Equipment and Supplies—Production and Maintenance (complete with related equipment)
- 1.61 Chemical Warfare equipment and supplies
- 1.62 Clothing, general supplies and subsistence
- 1.63 Mapping, Map Reproduction and photographic equipment
- 1.64 Military field construction equipment
- 1.65 Military radio and wire communications
- 1.66 Military railway including rail vehicles and bridge equipment
- 1.67 Radar or electronic equipment—all types
- 1.68 Supplies and equipment—all other military types

War Facilities—Construction and/or Maintenance
- 1.71 Air Fields, Bases, Camps, Coast Defense, Depots, Forts, Navy Yards, Posts, Stations
- 1.72 Munitions manufacturing facilities and proving grounds—government owned
- 1.73 Panama Canal
- 1.74 Shipyards and ship repair facilities—government owned

Class 2.00—Raw Materials, Production and Processing of
- 2.10 All Metals, Production (including mining), Smelting and Processing of
- 2.20 All Chemicals, Production and Processing of
- 2.30 All other Raw Materials, Production and Processing of

Class 3.00—New Buildings, Construction of
- 3.10 Buildings for Manufacturing and Commercial Purposes, Construction of
- 3.20 All Types of Dwellings, Construction of
- 3.90 All Other Types of Buildings, Construction of

Class 4.00—Power, Light, and Heat
- 4.10 Electricity
- 4.20 Petroleum
- 4.30 Coal and Coke
- 4.40 Gas

Class 5.00—Transportation
- 5.10 Railroad including Urban and Interurban
- 5.20 Automotive
- 5.30 Roads, Streets, etc., Construction and Maintenance of
- 5.40 Water Transportation, including construction of privately owned shipyards
- 5.50 Air Transportation
- 5.90 All Other Transportation

Class 6.00—Communication
- 6.10 Telephone
- 6.20 Radio
- 6.30 Telegraph
- 6.40 Printing and Publishing
- 6.90 All Other Communication

Class 7.00—Public Health and Safety
- 7.10 Sanitary and Health Systems and Facilities, Construction and Maintenance of
- 7.20 Health Equipment and Supplies including Personal Care
- 7.30 Public Safety Equipment and Supplies

Class 8.00—Agricultural Equipment and Supplies

Class 9.00—Industrial Food Processing

Class 10.00—Textiles and Wearing Apparel

Class 11.00—Education, Recreation, and Amusement

Class 12.00—Equipment and Supplies for Domestic Use

Class 13.00—Equipment and Supplies for Office Use

Class 14.00—Machinery and Equipment for Industrial Use

Class 15.00—Repair, Maintenance, and Operating Supplies Not Identifiable as New Construction

Class 16.00—All Other Identifiable End Uses

Class 17.00—End Use Unidentifiable

Vf • 6,070. Form PD-71-D—producer's monthly tabulation of pig iron ordered, scheduled and unscheduled.

PD-71-D
(7-28-43)

OFFICE OF PRODUCTION MANAGEMENT
IRON AND STEEL BRANCH—PIG IRON UNIT
SOCIAL SECURITY BUILDING
WASHINGTON, D. C.

CONFIDENTIAL
For Use of Federal
Defense Agencies Only

PRODUCER'S TABULATION OF PIG IRON ORDERED, SCHEDULED, AND UNSCHEDULED FOR THE MONTH OF .....

(Submit in triplicate with form PD-71. All figures are to be in gross tons. Report figures in column 11 in column 13)

CUSTOMER		A-1 TO A-9			A-10			B			TOTAL				Space Below for Use of OPM		
															ADJUSTMENTS BY OPM		
NAME OF CUSTOMER	PLANT NAME OR LOCATION	ORDERED (1)	SCHEDULED (2)	NOT SCHEDULED (3)	ORDERED (4)	SCHEDULED (5)	NOT SCHEDULED (6)	ORDERED (7)	SCHEDULED (8)	NOT SCHEDULED (9)	ORDERED (10)	SCHEDULED (11)	NOT SCHEDULED (12)	TOTAL SCHEDULED (13)	Of Scheduled Iron Do Not Ship (14)	Schedule Additional Shipment (15)	TOTAL APPROVED (16)

PD-346
3/9/42

WAR PRODUCTION BOARD
Iron and Steel Branch
Warehouse Section
Social Security Building
Washington, D. C.

Confidential
For use of
Federal
Defense
Agencies
Only

_____
Name of Warehouse

_____
(Address)

STEEL WAREHOUSE REPORT ON EARMARKED STOCKS OF STEEL FOR AIRCRAFT FOR THE MONTH ENDING_____

Furnish the following information in duplicate not later than the tenth of the month covered by the following report. Send one copy to the Warehouse Unit, Iron and Steel Branch, War Production Board, Washington, D. C., and the other to C. H. Lowry, Administrator, Scheduling Unit, War Production Board, Mutual Home Building, Dayton, Ohio. See instructions on reverse side.

(All figures in pounds)

Type and Description of Product (State Size, Grade, Condition, Finish and Specification) (1)	Estimated Necessary Inventory (2)	Actual Inventory Last day of Month (3)	Shipments during Month (4)	Critical Items	
				Order Numbers (5)	Name of Supplier (6)

(Continued on following page)

Section 35 (A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency in the United States.

The undersigned certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

Prepared by:_____
Name of Official

Date:_____ _____
Title

28287

Form PD-346 *(Cont'd)*

Instructions

Column No. 1—List all sizes by grade, condition, finish and specification.

Column No. 2—Necessary Stock. Show quantity which you consider necessary to maintain as a working stock.

Column No. 3—Include both goods on hand and in transit.

Column Nos. 5 and 6—Critical Items. Report purchase order and name of supplies for those items on which inventory on last day of month is lower than the anticipated sales for the following month.

Vf·6,072. Order M-110 places molybdenum under allocation. Order M-110 sets up a complete allocation system of molybdenum covering all of its forms including scrap. Consumers requiring less than 50 pounds per month for use in the manufacture of non-metallic products are not required to file applications and other reports called for in the Order. Molybdenum heretofore had not been under any control other than Priorities Regulations No. 1. The order became effective March 18, 1942.

General Preference Order No. M-110—Part 1133—Molybdenum

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of Molybdenum for defense, for private account and for export; and the following Order is deemed necessary and appropriate in the public interest and to promote the national defense:

Sec. 1133.1 **General Preference Order No. M-110.** (a) *Definition.*

(1) "Molybdenum" means and includes:

(i) Ores and concentrates containing Molybdenum (commercially recognized), and Molybdenum compounds for further purification or refining;

(ii) The element Molybdenum in pure form, ferromolybdenum, and all chemical or other combinations of the element Molybdenum with other materials in manufactured or semi-manufactured form, prepared either for further processing or for other purposes;

(iii) All scrap or secondary material containing commercially recoverable Molybdenum as defined in (i) and (ii) above, excluding Molybdenum-bearing iron and steel scrap.

(b) *Applicability of Priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1 (Part 944), as amended from time to time, except to the extent that any provision hereof may be inconsistent therewith, in which case the provisions of this Order shall govern.

(c) *Restrictions on Deliveries.*

(1) *Allocations.* Hereafter no person shall make or accept delivery of Molybdenum unless specifically authorized by the Director of Industry Operations. The Director will from time to time allocate the supply of Molybdenum and specifically direct the manner and quantities in which deliveries to particular persons and for particular uses shall be made or withheld. The Director may also, in his discretion, require any person seeking to place a purchase order for Molybdenum to place the same with one or more particular suppliers. Such allocations and directions will be made primarily to insure satisfaction of all defense requirements of the United States, both direct and indirect and they may be made in the discretion of the Director of Industry Operations without regard to any preference ratings assigned to particular contracts or purchase orders.

(2) *Reports.* Unless otherwise ordered by the Director of Industry Operations, no person shall be entitled to receive an allocation of Molybdenum unless, not later than the 20th day of the month next preceding the month in which delivery is desired, he shall have filed with the War Production Board reports on Forms PD-358 and PD-359, and an application for Molybdenum on Form PD-360, or in any case, on such other form as the War Production Board may from time to time prescribe, and in addition, shall have filed with any supplier with whom he may place a purchase order for Molybdenum, a copy of Form PD-360; provided, however, that, subject to all the other provisions, restrictions and limitations of this Order and until further order by the Director of Industry Operations, any person may receive deliveries during any calendar month up to but not exceeding an aggregate of 50 pounds contained Molybdenum for consumption in the manufacture of non-metallic products, without filing the reports required by this paragraph. Failure by any person to file an application and reports in the manner and on the date required by this paragraph may be construed as notice to the Director of Industry Operations and to all suppliers of Molybdenum that such person does not desire an allocation of Molybdenum during the period to which the same would have been applicable.

(d) *Violations or False Statements.* Any person who wilfully violates this Order, or who by any act or omission falsifies records to be kept or information to be furnished pursuant to this Order may be prohibited from receiving further deliveries of materials subject to allocation, and such further action may be taken as is deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(e) *Communications to War Production Board.* All reports required to be filed hereunder, and all communications concerning this Order, shall, unless otherwise directed, be addressed to the War Production Board, Washington, D. C., Reference: M-110.

(f) *Effective Dates.* This Order shall take effect immediately upon its issuance, and unless sooner terminated by direction of the Director of Industry Operations, shall expire on the 31st day of December, 1942.

Issued this 18th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,073. Temporary procedure takes place of Order M-110 until May 1, 1942. Because of lack of time, Order M-110 which calls for a complete allocation system will not be placed in effect in April, the Director of Industry Operations announced on March 24, 1942. Requests for delivery of molybdenum must be received by the WPB by the 20th of the preceding month, it was explained, and the complete working of the order will take effect May 1.

For the remainder of March and April, 1942, these general rules should be observed: No order should be placed or accepted which will increase the customer's minimum working inventory. Shipments during March or April should not exceed shipments made to the same customer during either January or February, whichever was the greater. If such an amount already has been shipped for March no further shipments should be made for the month. No deliveries of molybdenum should be made before May 1 except on ratings of A-10 or higher.

Copyright, April 10, 1942, Research Institute.

Vf·6,074. Complete pig iron allocation established by Amendment No. 2 of extended Order M-17. Amendment No. 2 and Extension No. 2 to General Preference Order M-17 issued March 28, 1942 completely allocates pig iron supplies. The order has been extended to remain in effect until revoked. The amendment eliminates the reserve tonnage pool and, instead, places all tonnage produced under mandatory control. Steel companies that produce and use their own pig iron are required to report priority ratings on their production schedules. Pig iron buyers are required to fill out Form PD-69 by the fifth day of the month before they purchase pig iron. By the same date buyers must file reports on Form PD-70 with the War Production Board, showing inventories and pig iron consumption. Producers of pig iron must file reports on orders, schedules, and shipments by the 12th day of each month. Producers may ship pig iron only in accordance with delivery schedules filed on Form PD-71, as approved or modified by the Director of Industry Operations.

Amendment No. 2 and Extension No. 2 to General Preference Order M-17

(a) General Preference Order M-17 (Section 947.1), is hereby amended to read as follows:

(a) *Applicability of priorities Regulation No. 1.* This Order and all transactions affected thereby are subject to the provisions of Priorities Regulation No. 1, as amended from time to time, except to the extent that any provision thereof may be inconsistent herewith, in which case the provisions of this Order shall govern.

(b) *Additional definitions.* For the purposes of this Order

(1) "Pig Iron" means iron produced by smelting iron ore in a blast furnace and having a content of silicon of less than 5 percent.

(2) "Producer" means any person producing pig iron.

(c) *Deliveries by other than Producers.* Except with specific permission of the Director of Industry Operations, no person other than a Producer shall make delivery of pig iron to any person, and no person shall accept delivery thereof except from a Producer.

(d) *Customers' Orders and Reports.*

(1) Each person desiring to obtain pig iron from a Producer during any month shall file with such Producer on or before the fifth day of the preceding month an order on form PD-69.

(2) Each purchaser of pig iron shall file with the War Production Board on or before the fifth day of each month a report on form PD-70 showing inventory and consumption of pig iron.

(e) *Producers' Reports.* Each Producer shall file with the War Production Board on or before the twelfth day of each month schedules on forms PD-71 and PD-71d showing all pig iron ordered by customers on form PD-69 for shipment by the Producer during the following month and proposed shipments by Producer. The Director of Industry Operations may make such changes in the schedule as to him shall seem appropriate and may from time to time issue supplementary instructions with regard to shipments of pig iron.

(f) *Restrictions on Deliveries.*

(1) No Producer shall deliver or use pig iron, and no person shall accept delivery thereof from a Producer unless such pig iron has been reported on form PD-69 filed by such person or has been specifically allocated to such person by the Director of Industry Operations.

(2) No Producer shall deliver or use pig iron at any time except in accordance with such Producer's schedule on form PD-71, as modified by the Director of Industry Operations, or in accordance with such supplementary authorizations or directions as may from time to time be issued by the Director of Industry Operations.

(g) *Effective Date.* This Order shall take effect immediately and shall continue in effect until revoked.

(b) This amendment shall take effect immediately.

Issued this 28th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,075. Amendment No. 1 to M-21-d limits 4% chrome steel deliveries to A-1-k ratings. Further restriction on the use of chrome steel was ordered on March 27, 1942 in Amendment No. 1 to Supplementary Order M-21-d. The Amendment limits the use of steel containing 4% or more of chromium to ratings of A-1-k or higher. The original order permitted deliveries of 4% chrome steel on ratings of A-10 or higher.

Amendment No. 1 to Order M-21-d—Steel Corrosion and Heat Resistant Chrome Steel

Supplementary Order M-21-d (Section 962.5) is hereby amended to read as follows, effective immediately:

Sec. 962.5 **Supplementary Order.**

(a) *Restrictions on Deliveries, Use, Etc.* Except pursuant to specific authorization or direction of the Director of Industry Operations, no person shall consume, use, process, fabricate, or deliver corrosion or heat resistant alloy iron or alloy steel containing 4 percent or more of chromium except in accordance with the following:

(1) The above prohibition shall not apply to material to be delivered by the holder on a preference rating of A-1-k or higher.

(2) The above prohibition shall not apply to fully fabricated articles. It shall apply to raw steel stock in the form received, or cut to size for further processing or fabrication.

(b) *Violations.* Any person who violates this Order may be deprived of priorities assistance or may be prohibited by the War Production Board from obtaining any further deliveries of materials subject to allocation. The War Production Board may also take any other action deemed appropriate, including the making of a recommendation for prosecution under Section 35A of the Criminal Code (18 U.S.C. 80).

(c) *Appeal.* Any person affected by this Order who considers that compliance herewith would work an exceptional and unreasonable hardship upon him, or would result in a serious problem of unemployment in the community, or would disrupt or impair a program of conversion from nondefense to defense work may appeal for relief by a letter addressed to War Production Board, Washington, D. C., Reference: M-21-d, setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The War Production Board may thereupon take such action as it deems appropriate.

(d) *Effective Date.* This Order shall take effect immediately.

Issued this 27th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,076. Emergency shipments and freight charges affected by Amendment No. 2 to Schedule No. 100. Effective March 31, 1942, the cast iron soil pipe schedule was amended to permit emergency shipments of less than 250 pounds to be priced in the same way as maximum delivered

prices for warehouse shipments are determined. At the same time, the amendment requires that the lowest railroad carload rate from Birmingham, Alabama, be used in computing maximum delivered prices.

Amendment No. 2 to Revised Price Schedule No. 100 [1]— Cast Iron Soil Pipe and Fittings

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[2]

Section 1306.309 (b) is amended to read as set forth below, and a new paragraph (b) is added to Section 1306.308A.

Sec. 1306.309 **Appendix A. Maximum Prices for Cast Iron Soil Pipe and Fittings.**

* * * *

(b) The maximum delivered price for domestic sales of Cast Iron Soil Pipe and Fittings shall be the maximum f.o.b. Birmingham, Alabama, price established in paragraph (a) hereof, plus a freight and delivery charge computed in accordance with the following provisions (whether shipment is by rail or motor carrier):

(1) Where a shipment of 250 pounds or more moves directly from foundry to purchaser (regardless of whether the seller is a manufacturer, jobber or wholesaler), the delivery charge may not exceed the transportation charge computed on the actual weight of the shipment at the lowest railroad carload rate from Birmingham, Alabama, to the railroad siding nearest to the point of delivery designated by the purchaser.

(2) Where a shipment to a purchaser originates from some place other than a foundry (as where shipment originates at a distribution warehouse operated by a manufacturer, jobber or wholesaler), or where a shipment of less than 250 pounds moves directly from foundry to purchaser (regardless of whether the seller is a manufacturer, jobber or wholesaler), the delivery charge may not exceed the transportation charge computed on the actual weight of the shipment at the lowest railroad carload rate from Birmingham, Alabama, to the place at which the shipment originates; provided, however, that a further delivery charge for transportation from the place at which the shipment originates to the point of delivery designated by the purchaser may be made if (i) the seller on October 1, 1941, did not recognize a free delivery zone for the shipment of the size ordered by the purchaser or (ii) the point of delivery designated by the purchaser is outside of the free delivery zone, if any, recognized by the seller on October 1, 1941, for a shipment of the size ordered by the purchaser. Where such transportation is by common or contract carrier, the further delivery charge may not exceed the actual transportation charge from the place at which the shipment originates to the point of delivery designated by the purchaser. Where such transportation takes place in a vehicle owned or controlled by the seller, the further delivery charge may not exceed the transportation charge on a shipment of identical weight calculated at the lowest railroad carload rate from the place at which the shipment originates to the point of delivery. All such further delivery charges may be added only when shown as a separate item on any billing or invoice.

(3) For purposes of this paragraph, the seller shall be considered as having completed his delivery obligations when, in the case of a rail shipment, the shipment arrives at the rail siding nearest to the location designated by the purchaser; or when, in the case of shipment by motor carrier, the shipment arrives at the site designated by the purchaser.

(4) Transportation charges from Birmingham, Alabama, to point of delivery, permitted under (1), above, and transportation charges from Birmingham, Alabama, to point where shipment originates, permitted under (2), above, may be billed or invoiced by deducting from the applicable base (or first) discount 1/4 point for every 25¢ ton freight.

Sec. 1306.308A **Effective Dates of Amendments.**

* * * *

(b) Amendment No. 2 (1306.309 (b) and 1306.308A (b)) to Revised Price Schedule No. 100 shall become effective March 31, 1942.

Issued this 30th day of March, 1942.

[1] 7 F.R. 1394, 1795.
[2] The statement of considerations has been filed with the Division of the Federal Register.

Vf·6,077. Nickel Order M-6-a amended and extended indefinitely on March 30, 1942. Several changes were made in M-6-a, and the order extended indefinitely by an amendment of March 30, 1942. The changes are as follows: (1) Nickel is redefined to include any solutions, concentrates and residues from which nickel is commercially recoverable, and nickel salts, oxides and carbonates are added. (2) Nickel may be delivered without specific authorization from WPB only to the Metals Reserve Company. (3) The Order applies equally to all persons, the definitions of producer and distributor having been eliminated. (4) It is provided that specific instructions on melting and processing may be given from time to time by WPB.

General Preference Order No. M-6-a As Amended March 30, 1942

Sec. 927.2 **(General Preference Order M-6-a),** is hereby amended to read as follows:

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of nickel for defense, for private account and for export; and the following Order is deemed necessary and appropriate in the public interest and to promote the national defense:

Sec. 927.2 **General Preference Order No. M-6-a.** (a) *Definition.*

(1) "Nickel" means and includes:

(i) Any primary metallic nickel, either alloyed or unalloyed, ferro nickel, and nickel matte of any description;

(ii) Any solutions, concentrates, residues, or speiss containing nickel (commercially recoverable);

(iii) Nickel salts, oxides and carbonates.

(b) *Applicability of Priorities Regulation No. 1.* (See ¶ R·610, II)

(c) *Directions as to Deliveries and Melting; Allocations.* Hereafter, no person shall make or accept delivery of nickel unless specifically authorized by the Director of Industry Operations; *Provided,* however, that nickel may be delivered without the specific authorization of the Director of Industry Operations to the Metals Reserve Company or to any other Corporation organized under Section 5(d) of the Reconstruction Finance Corporation Act as amended (15 U.S.C., Section 606(b)), or to any duly authorized agent of such Corporation. The Director will from time to time allocate the supply of nickel and specifically direct the manner and quantities in which deliveries thereof may be made and accepted; and the Director may also issue specific directions as to the manner and quantities in which allocations of nickel may be melted or otherwise processed for particular purposes or end uses. In his discretion, the Director may require any person seeking to place a purchase order for nickel to place the same with one or more particular suppliers. Such allocations and directions will be made to insure satisfaction of all defense requirements of the United States, both direct and indirect, and they may be made in the discretion of the Director of Industry Operations without regard to any preference ratings assigned to particular contracts or purchase orders.

(d) *Applications for Nickel.* Unless otherwise ordered by the Director of Industry Operations, no person shall be entitled to receive an allocation of nickel unless, not later than the 20th day of the month next preceding the month in which delivery is desired, he shall have filed with the War Production Board and any supplier with whom he may have placed a purchase order for nickel, Form PD-27, or such other form as may be from time to time prescribed by the War Production Board, in the manner indicated on such form. Failure by any person to file an application in the man-

Copyright, April 10, 1942, Research Institute.

ner and on the date required by this paragraph may be construed as notice to the Director of Industry Operations that such person does not desire an allocation of nickel during the period to which the same would have been applicable.

(e) *Violations or False Statements.* (See ¶ R·610, XXIV)

(f) *Communications to War Production Board.* All reports required to be filed hereunder, and all communications concerning this Order, shall, unless otherwise directed, be addressed to the War Production Board, Washington, D. C. Ref: M-6-a.

(g) *Effective Date.* This Order shall take effect upon the date of issuance and shall continue in effect until revoked by the Director of Industry Operations.

Issued this 30th day of March, 1942.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,078. Prices for special kinds of scrap changed by Amendment No. 2 to Schedule No. 4. Effective March 31, 1942, the iron and steel scrap schedule was amended to provide a number of technical changes designed to facilitate operation and enforcement:

(1) The premium for cast iron borings sold for chemical use is made uniform at $5 per gross ton regardless of whether they are used in the manufacture of explosives or not.

(2) $7 per gross ton premium is established for high manganese steel scrap if sold for electric furnace use only; this provision is intended to encourage the conservation of manganese content for war needs.

(3) A differential of $4 per gross ton is provided for briquettes made of machine shop turnings or shoveling turnings and $3 per gross ton is allowed for briquettes made of mixed borings and turnings and cast iron borings. Briquetters are included in the definition of "consumers" so as not to permit a briquetter to outbid the ordinary consumer of unbriquetted material.

(4) Premiums are permitted for several railroad specialty items shipped from a dealer's yard.

(5) The dealer's competitive position is improved by a new provision that railroads selling unprepared scrap direct to consumers or brokers must deduct $3.50 per gross ton; this change from $2.50 to $3.50 does not apply to specific grades for which OPA authorized separate maximum prices.

(6) The provisions regarding mixed shipments are clarified in accordance with recent interpretations.

Amendment No. 2 to Revised Price Schedule No. 4 [1]— Iron and Steel Scrap

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[2]

Paragraphs (b) and (f) of Section 1304.11, footnote 6 of Section 1304.13(a), Item 1 of Section 1304.13(f), Section 1304.14(c) and footnote 1 appearing in the third paragraph of Section 1304.15(a), are amended to read as follows: Four new Items 7A, 8A, 9A, and 11A are added to Section 1304.13(f); Paragraph (d) of Section 1304.14 is redesignated as paragraph (e) and amended, and a new paragraph (d) is added to Section 1304.14, and a new paragraph (b) is added to Section 1304.12A, as set forth below:

Sec. 1304.11 **Definitions.**

* * *

(b) "Iron and steel scrap" means all ferrous materials, either alloyed or unalloyed, of which iron or steel is a principal component, which are the waste of industrial fabrication, or objects that have been discarded on account of obsolescence, failure, or other reasons, and shall include any material, whether reusable or not, which is normally consumed (by way of example but not by way of limitation) in remelting, rerolling, reworking, ballast, or annealing operations, or as a reduction agent.

* * *

(f) "Consumer" means a purchaser, for its own consumption of iron or steel scrap (by way of example but not by way of limitation) smelter, foundry, steel mill, briquetter, forge shop, any governmental agency or subdivision.

* * *

Sec. 1304.13 **Appendix A. Maximum Prices for Iron and Steel Scrap Other than Railroad Scrap.** (a) Basing Point [1] prices from which shipping point prices and consumers' delivered prices are to be computed.

* * *

[6] (a) Except upon prior approval by the Office of Price Administration, no special preparation charges may be added to the prices listed above.

(b) Except upon prior approval by the Office of Price Administration, no grade of scrap deemed by buyer or seller or both to be superior to any grade listed above shall be purchased at a premium above the corresponding listed grade, with the following exceptions:

(1) In the case of cast iron borings containing no more than 0.5 percent oil content for chemical use, the basing point price shall be $5.00 per gross ton over the price of Item 11.

(2) In the case of ingot iron scrap and any alloyed ferrous scrap, except manganese scrap, purchased by an Electric Furnace or Acid Open Hearth for recovery of alloy content, such grades may be purchased at the differential above the corresponding listed grade which the consumer paid during the period September 1, 1940 to January 31, 1941; *Provided*, however, that this provision does not apply to any alloyed ferrous scrap for which maximum prices are established by any other Price Schedule or Regulation issued by the Office of Price Administration.

(3) In the case of high manganese steel scrap sold for *Electric Furnace use only*, the basing point price shall be $7.00 per gross ton above the price of No. 1 Heavy Melting Steel. High manganese steel scrap shall be defined as: "Steel scrap containing at least 10% managanese cut 12" x 24" x 8" and under, and suitable without further preparation for direct charging into an electric furnace."

(4) Where a person purchases Item 7 (Machine Shop Turnings), Item 8 (Mixed Borings and Turnings), Item 9 (Shovelling Turnings), or Item 11 (Cast Iron Borings), for briquetting purposes, such person shall, for such purchases, be deemed a "consumer" in accordance with paragraph (f) of Section 1304.11 hereof. Where Items 7, 8, 9, or 11 have been briquetted in accordance with the specifications set forth in paragraph (f) for Items 7A, 8A, 9A, and 11A, the basing point prices for such material shall be (1) In the case of Items 7A and 9A, $4.00 per gross ton above the basing point price for Items 7 and 9; and (2) In the case of Items 8A and 11A, $3.00 per gross ton above the basing point price of Items 8 and 11.

(5) Bundles with less than 50 percent tin-coated material shall be priced at $5.00 per gross ton under Basic Open Hearth Grades. Bundles with more than 50 percent tin-coated material shall be priced at $8.00 below Basic Open Hearth Grades.

(c) Inferior grades shall continue to be purchased at the differential below the corresponding listed grade price which the consumer paid during the period September 1, 1940 to January 31, 1941.

(d) Mixed shipments of any grade of scrap whose maximum prices are governed by the provisions of this Schedule shall be deemed shipments of unprepared scrap and shall be priced at $2.50 per gross ton below the maximum price

---

[1] 7 F.R. 1207.

[2] The Statement of Considerations has been filed with the Division of the Federal Register.

applicable in this Schedule for the lowest priced grade in the shipment, unless the consumer has authorized a mixed shipment in his purchase order. Where the consumer has authorized a mixed shipment in his purchase order, each grade must be so segregated that upon arrival at the point of delivery, the weight of each grade can be ascertained readily.

* * *

(f) *Definitions of grades referred to in paragraph (a).*

Item 1. "No. 1 heavy melting steel." Steel scrap ¼ inch and over in thickness, not over 18 inches in width, and not over 5 feet long. Individual pieces must be cut into such shape that they will be free from attachments and will lie flat in a charging box. Cut boiler plate must be practically clean and free from stay bolts and not over 3 feet long and lie reasonably flat in charging box. No piece may weigh less than 5 pounds. This grade may include structural shapes, angle bars and plates, steel castings, heavy chain, carbon tool steel, heavy forgings, forge butts, and similar heavy material. This grade may also include new mashed pipe ends, original diameter 4 inches and over, thoroughly flattened, sheet bars, billets, blooms, rail ends, railroad steel, and wrought scrap, such as angles, splices, couplers, knuckles, short rails, drawbars, cut cast-steel bolsters, coil and leaf springs (all coil springs to be ⅜ inch or larger in diameter). No needle or skeleton plate scrap, agricultural shapes, annealing pots, boiler tubes, grate bars, cast iron, malleable iron, or curly or unwieldy pieces may be included. This grade must be free from dirt, excessive rust or scale, or foreign material of any kinds.

* * *

Item 7A. "Briquetted machine shop turnings." Machine shop turnings compressed into a cohesive non-friable solid reasonably free from oil, each briquette to weigh not more than 20 pounds and to have a density of not less than 60 percent.

* * *

Item 8A. "Briquetted mixed borings and turnings." Mixed borings and turnings compressed into a cohesive non-friable solid reasonably free from oil, each briquette to weigh not more than 20 pounds and to have a density of not less than 60 percent.

* * *

Item 9A. "Briquetted shovelling turnings." Shovelling turnings compressed into a cohesive non-friable solid reasonably free from oil, each briquette to weigh not more than 20 pounds and to have a density of not less than 60 percent.

* * *

Item 11A. "Briquetted cast iron borings." Cast iron borings compressed into a cohesive non-friable solid reasonably free from oil, each briquette to weigh not more than 20 pounds and to have a density of not less than 60 percent.

Sec. 1304.14 **Appendix B. Maximum Prices for Iron and Steel Scrap Originating from Railroads.**

* * *

(c) *Railroad scrap prepared by a dealer.* Railroad scrap prepared by a dealer shall be deemed to have lost its railroad origin, and the maximum prices of such scrap shall be governed by paragraph (d) of this Section.

(d) *Maximum prices for scrap which has lost its railroad origin, scrap originating from mines, logging roads, and similar sources and scrap originating from roads which did not within two weeks after February 9, 1942, file average price information with the Office of Price Administration.* In the case of scrap which has lost its railroad origin, scrap originating from mines, logging roads and similar sources, and any grade of scrap originating from a railroad which did not within two weeks after February 9, 1942, file the average price information for such grades as required under paragraphs (a) or (b) hereof and by Section 1304.4, the maximum prices shall be as follows:

(1) In the case of scrap rails, scrap rails 3 feet and under, scrap rails 2 feet and under, scrap rails 18 inches and under and rails for rerolling, the shipping point price shall be computed by application of the provisions of paragraphs (b) and (c) of Section 1304.13, Appendix A, to the prices at the most favorable basing point in Section 1304.14, Appendix B. In no case need this shipping point price fall below $14.00 for scrap rails, $16.00 for scrap rails 3 feet and under, $16.25 for scrap rails 2 feet and under, $16.50 for scrap rails 18 inches and under, and $15.50 per gross ton for rails for rerolling. The maximum delivered price shall be the shipping point price thus obtained, plus transportation charges from the shipping point to the point of delivery.

(2) All other grades of such scrap shall be classified under Section 1304.13, Appendix A, or Section 1304.15, Appendix C, and their maximum prices shall be governed by the provisions of the applicable appendix, *except that:*

(i) In the case of railroad steel axles sold *for rerolling or reforging use only,* the basing point price for such grade at the applicable basing point under the provisions of Section 1304.13, Appendix A, shall be $6.00 per gross ton over the basing point price for No. 1 Heavy Melting Steel. The definition of "Railroad steel axles" shall be: solid car and/or locomotive axles (free of axles with key-way between wheel seats, no axles of shorter lengths than distances between wheel seats to be included).

(ii) In the case of railroad steel wheels sold *for Electric Furnace, Acid Open Hearth and Foundry use only,* the basing point price for such grade at the applicable basing point under the provisions of Section 1304.13, Appendix A, shall be $3.50 per gross ton over the basing point price for No. 1 Heavy Melting Steel. The definition of "Railroad steel wheels" shall be: solid cast steel, forged, pressed or rolled steel car and/or locomotive wheels, 36" and under in diameter.

(iii) In the case of railroad couplers and railroad knuckles sold *for Electric Furnace, Acid Open Hearth and Foundry use only,* the basing point price for such grade at the applicable basing point under the provisions of Section 1304.13, Appendix A, shall be $3.00 per gross ton over the basing point price for No. 1 Heavy Melting Steel. The definition of "Railroad couplers and railroad knuckles" shall be: railroad car and/or locomotive steel couplers, knuckles and/or locks stripped clean of all other attachments.

(iv) In the case of railroad springs sold *for Electric Furnace, Acid Open Hearth and Foundry use only,* the basing point price for such grade at the applicable basing point under the provisions of Section 1304.13, Appendix A, shall be $3.50 per gross ton over the basing point price for No. 1 Heavy Melting Steel. The definition of "Railroad springs" shall be: coil springs made of material less than ⅜" in diameter and elliptical springs made of material less than ¼" in thickness, not over 18" in width.

(v) In the case of railroad brake shoes, the basing point price for such grade at the applicable basing point under the provisions of Section 1304.15, Appendix C, shall be $4.75 per gross ton below No. 1 Cupola Cast. The definition of "Railroad brake shoes" shall be: cast iron driving and/or car brake shoes of all types except composition filled shoes, suitable for foundry use.

(3) The maximum prices of grades of scrap, which by reason of this paragraph, are classified in Section 1304.13, Appendix A, or Section 1304.15, Appendix C, shall, in unprepared form, be priced at $3.50 per gross ton "below the corresponding grade or grades of prepared scrap," rather than $2.50 per gross ton below such grade or grades, but shall be subject to all the other provisions contained in paragraph (e) of Section 1304.13, Appendix A, or paragraph (d) of Section 1304.15, Appendix C, whichever is applicable.

(e) *Unprepared scrap.* (i) The maximum prices listed in paragraph (a) (1) of this Section of Appendix B are for prepared scrap. For such grades, in unprepared form, the maximum prices shall be $3.50 per gross ton under the maximum prices for the corresponding grade or grades of prepared scrap.

(ii) Pursuant to paragraph (a) (2) and paragraph (b) of this Section, Appendix B, the Office of Price Administration has authorized maximum prices for certain prepared grades of scrap originating from railroads that filed the required average price information. For such grades, in unprepared form, the maximum prices shall be $3.50 under the maximum prices for the corresponding grade or grades of prepared scrap.

(iii) Where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point as that phrase is defined in paragraph (c) of Section 1304.13 (c) hereof, until after such preparation has been completed.

Sec. 1304.15 **Appendix C. Maximum Price for Cast Iron Scrap Other than Railroad Scrap (all the prices given below are per gross ton).** (a) *Maximum price at shipping point.*

* * *

[1] (a) Except upon prior approval by the Office of Price Administration, no special preparation charges may be added to the prices listed above.

(b) Except upon prior approval by the Office of Price Administration, no grade deemed by buyer or seller or both

Copyright, April 10, 1942, Research Institute.

to be superior to any grade listed above may be sold at a premium above the corresponding listed grade.

(c) Inferior grades shall continue to be purchased at the differential below the corresponding schedule grade which the consumer paid during the period September 1, 1940 to January 31, 1941.

(d) Mixed shipments of any grade of scrap whose maximum prices are governed by the provisions of Revised Price Schedule No. 4 shall be deemed shipments of unprepared scrap and shall be priced at $2.50 per gross ton below the maximum price applicable in Revised Price Schedule No. 4 for the lowest priced grade in the shipment, unless the consumer has authorized a mixed shipment in his purchase order. Where the consumer has authorized a mixed shipment in his purchase order, each grade must be so segregated that upon arrival at the point of delivery, the weight of each grade can be ascertained readily.

(e) Except in the case of items 4 and 7, no Basic Open Hearth (and, in the case of item 8, no consumer other than a malleable foundry) may pay for any grade a price in excess of the price listed for item 6.

Sec. 1304.12A **Effective Date of Amendments.**

(b) Amendment No. 2 (1304.11 (b), (f), 1304.12A (b), 1304.13 (a), (f), 1304.14 (c), (d), (e), 1304.15 (a)) to Revised Price Schedule No. 4 shall become effective March 31st, 1942.

Issued this 30th day of March, 1942.

Vf·6,079. Additional information on uses of steel drums in connection with PD-1A applications. Manufacturers of steel drums and five-gallon kits have been requested to furnished the Containers Branch of the War Production Board with additional information on products shipped in such containers and the end use of the products, WPB announced on March 30, 1942. This information is to be provided on forms which should accompany PD-1A applications for steel for the drums. The forms can be obtained from the Priority Specialist, Containers Branch, War Production Board, Social Security Building, Washington, D. C. The forms cover the following information: (1) Products manufactured and end use of such products—this should be explained in the greatest possible detail, as for instance, "paint to be used for housing in defense areas"; (2) inventory of drums and kits on date of application; (3) reasons why substitute containers cannot be used; (4) percentage intended for export and for whose account; and (5) the PD-1A form at present does not require all of this information.

observation: If space allows, these questions may be answered on PD-1A without submitting a separate form.

Vf·6,080. Tube steel priorities ruling. To assure maximum steel usage in the war program, semi-finished steel will no longer be allocated to manufacturers of seamless tubing who do not make their own steel, the Iron and Steel Branch of WPB announced on March 28, 1942. Manufacturers of this type of steel must use priority ratings in the future, except in cases where the tubing itself is allocated. Producers of steel sheets and pipe who do not make their own steel and who have been buying their semi-finished steel from integrated manufacturers, must also rely on priority ratings in the future. This ruling was announced in a telegram to all manufacturers, directing those affected to extend ratings to their sources, or to file Form PD-25A to determine applicable ratings under the Production Requirements Plan.

Vf·6,076. Form PD-83-F (rev. 3/24/42)—producer's report on deliveries to steel warehouses under Order M-21-b.

PD-83-F (Revised) 3/24/42

Confidential—For Use of Federal Defense Agencies Only

Sheet ..... of .....Sheets

WAR PRODUCTION BOARD

Materials Division

Social Security Building
Washington, D. C.

Producer's Report on Deliveries of.....
(Product Classification)

To Steel Warehouses
During the Calendar Quarter Ending .....

..... (Name of Producer)

..... (Address of Producer)

PD-83-F (REVISED)
3/24/42

NAME AND ADDRESS OF EACH WAREHOUSE	SHIPMENTS OR DELIVERIES TO WAREHOUSES			% OF COL. 4 TO		INVENTORY IN CONSIGNED STOCKS END OF QR. REPORTED	REMARKS
	DURING YEAR 1940	DURING SAME QUARTER 1940	DURING QUARTER COVERED BY THIS REPORT	YEAR OF 1940 (COL. 2)	SAME QR. 1940 (COL. 3)		USE THIS COLUMN TO EXPLAIN ANY IRREGULARITIES
(1)	(REPORT ALL WEIGHTS TO THE NEAREST ONE-TENTH (0.1) NET TON) (2)	(3)	(4)	(5)	(6)	(7)	(8)
TOTAL HERE OR AT END OF LIST							

Instructions

This form is prescribed pursuant to the provisions of Section (e) of General Preference Order M-21, to Conserve the Supply and Direct the Distribution of Steel, issued August 9, 1941. This form is the one mentioned in Paragraph C (3) of Amendment No. 3 to Supplementary Order M-21-b, and must be filed on or before April 15th, July 15th, October 15th, or January 15th for the calendar quarter preceding.

Each producer making shipments of Schedule B Products to Steel Warehouses must file this report in duplicate for each of the following product classifications (8, 11a, 13a, 13b, 15, and 18) with the Iron and Steel Branch, Office of Production Management, Washington, D. C. Where more than one sheet is needed for a product classification, additional sheets of plain white paper of the same size, numbered consecutively, and with appropriate column headings may be used. Use both sides of this sheet if necessary.

Producers must report individually each warehouse or group of warehouses having an annual base tonnage for any Schedule B product classification exceeding 120,000 pounds. Data on shipments made to warehouses having an annual base tonnage of 120,000 pounds or less should be reported in total at the end of this report, but such shipments need not be listed individually unless desired.

Shipments to mill depots or distributing centers maintained by a producer from which only carload deliveries are made need not be reported, but shipments from such depot to a warehouse must be reported together with shipments direct to that warehouse from the mill.

If the warehouse has elected to receive deliveries of Schedule B products based on shipments to his stock during the same calendar quarter of 1940, fill in columns 2, 3, and 6. If, however, the basis selected is one-fourth of 1940 shipments to stock, fill in columns 2, 4, and 5. Be sure to report all consigned stock inventories in column 7. Any departure from quota limitations as prescribed in Supplementary Order M-21-b must be explained in column 8.

List all units or branches of a centrally owned system of warehouses consecutively. Shipments to each unit should be listed in column 4 and totals for the group must be shown in parentheses in the same column immediately following the last listed unit of the group. Place the name of each warehouse in column 1 and the shipping address indented slightly immediately below each name. Be sure to total the report for each product classification.

Section 35(A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

The undersigned certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

.....
(Name of Official)

..... (Date)

..... (Title)

Copyright, April 17, 1942, Research Institute.

Vf·6,077. Form PD-360—application and allocation form under M-110.

PD-360
3/18/42

WAR PRODUCTION BOARD
Tungsten Branch—Molybdenum Section
Washington, D. C.

Application and Allocation of Molybdenum Pursuant to M-110

For delivery during the Month of .....

Prepare this Form in quintuplicate for each supplier with whom you are placing an order for delivery which is requested during the month. Forward four (4) copies with Forms PD-358 and PD-359 to the War Production Board, Washington, D. C., Ref. M-110, and one (1) copy to the supplier with the purchase order. After execution, the original allocation copy will be forwarded by the War Production Board to the supplier named.

Name of Applicant .....

Address .....

Supplier to whom this request is directed:

Name .....

Address .....

Materials Requested (Name)	Grade	Contained Molybdenum (Pounds)	For Use of War Production Board Only Quantity Allocated Contained Molybdenum (Pounds)
.....	.....	.....	.....
.....	.....	.....	.....
Total			

Authorization

The Director of Industry Operations of the War Production Board hereby allocates for the month specified, in amounts as designated in the last column above, and authorizes the delivery of such materials pursuant to General Preference Order M-110.

Date .....

(Signed) .....
Director of Industry Operations
War Production Board

Vf·6,078. Form PD-201—steel allocation order for producers operating under M-21.

PD-201
(3-30-42)

WAR PRODUCTION BOARD
Division of Industry Operations
Washington, D. C.

Date.....

Steel Allocation Order Series B. No. .....

To .....
(Producer)

.....
(Address)

Pursuant to General Preference Order M-21, you are hereby directed to make deliveries of steel products in accordance with the following directions. In cases where the customer has already placed an order with you, the customer's order is set forth.

Customer	*Specification*
Customer's Order No.	*Size(s)*
Product	*Shipping Date*
Quantity (Net Tons)	*Remarks*

For further details as to the foregoing, you may consult the customer above named.

Receipt of this Order must be acknowledged to the Iron and Steel Branch, Attention..... .. .. Room....., Building..... ..... Any communication concerning this Allocation should bear the Allocation Order Number.

J. S. KNOWLSON, *Dir. of Industry Operations.*

Vf·6,079. Form PD-358—monthly application for molybdenum required for melting.

PD-358
(8-18-42)

WAR PRODUCTION BOARD
Tungsten Branch - Molybdenum Section
Washington, D.C.

SCHEDULE I. - Detailed Application for Molybdenum Required for Melting During Month of _____

_____ *(Name of Applicant)*

Two (2) copies of Schedule I must be prepared and filed with the War Production Board on or before the 20th of the month preceding the month in which delivery of Molybdenum is requested

_____ *(Plant and Location)*

Customer's Name	Applicant's Order Number	Delivery Date Required	Preference Rating: Basis for Assignment	Preference Rating: Certificate, Serial or Contract No.	Preference Rating: Priority Rating	Ultimate Use (Be specific. See Instructions)	Per Cent of Molybdenum In Product	Net Weight of Melt (net tons)	Contained Molybdenum In Product (pounds)	Melting, Weight, of Contained MO. (pounds): Prime Contract Government Orders	Melting, Weight, of Contained MO. (pounds): Other Orders Covered by Priority Ratings AA - A-10	Melting, Weight, of Contained MO. (pounds): All Other	Pounds of Contained Molybdenum From Permit or Scrap	Not to be filled out by Applicant
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
XXXXXXXXXXX	XXXX	XXXX	XXXX	XXXX	XXXX	High Speed Tool Steel - Class A								
XXXXXXXXXXX	XXXX	XXXX	XXXX	XXXX	XXXX	High Speed Tool Steel - Other								
TOTAL POUNDS OF CONTAINED MOLYBDENUM _____														

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

CERTIFICATION

THE UNDERSIGNED HEREBY CERTIFIES THAT HE EXECUTED THIS APPLICATION IN ACCORDANCE WITH THE DEFINITIONS AND OTHER INSTRUCTIONS GIVEN THEREWITH, AND ON BEHALF OF, AND BY AUTHORITY OF THE ABOVE-NAMED COMPANY, AND THAT ALL THE INFORMATION SET FORTH ON THIS APPLICATION IS TRUE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

_____ *(Date)* _____ *(Signature)* _____ *(Official Position)*

Instructions

General. This schedule is designed to present details as to Molybdenum required by you for melting during the month in order to meet the latest required delivery dates to your customer. Exclude all details relating to deliveries during the month that do not originate with material melted during the month.

Column 1. Customer's Name. All orders for high speed steel should be grouped and reported in the indicated

spaces at the beginning of the report. Information is not required on High Speed Tool Steel in spaces marked XXX.

Column 3. Delivery Date Required. Show the latest date by which you must deliver in order to meet commitments to your customers.

Column 4. Basis for Assignment. Identify how rating originated, whether PD-1, PD-1-A, PD-2, etc., or P-100, P-56, etc.

Column 5. Give Certificate Number, Serial Extension Number, or Army and Navy Contract Number.

Column 6. Priority Rating. Indicate in this column the specific preference rating that has been assigned. This must be supported by proper documentary proof in your possession.

Column 7. Ultimate Use. Give both name of product and its use; for example, springs—railroad or springs—army truck, etc. Incomplete data in this column will result in reduction of amount of Molybdenum allocated.

Column 9. Give shipping weight of products containing Molybdenum on each order.

Column 10. Give weight of Molybdenum in product. This is weight given in *Column 9* (converted to pounds) times percentage of Molybdenum in product. (*Column 8*)

Columns 11, 12, 13. In stating the weight of contained Molybdenum which must be used to produce the material on order, the following formulae may be used:

$$\frac{\text{Lbs. shipping wt. (steel or iron)}}{\%\ \text{Ingot (or casting) yield}} = \text{Ingot (or casting) wt. lbs.}$$

Ingot (or casting) wt. lbs. × per cent (%) Molybdenum content of ingot (or casting) = Lbs. contained Molybdenum in ingots (or casting).

Lbs. contained Molybdenum in ingots (or castings) — Lbs. Molybdenum from scrap = Lbs. Molybdenum from Alloys.

Column 14. State pounds of contained Molybdenum to be used which will be derived from scrap.

Copyright, April 17, 1942, Research Institute.

Vf·6,080. Form PD-359—monthly request for molybdenum for consumption.

PD-359
12-18-42

WAR PRODUCTION BOARD
Tungsten Branch - Molybdenum Section
Washington, D. C.

REQUEST FOR MOLYBDENUM FOR CONSUMPTION IN _____ *Month*

_____ *Name of Applicant*

_____ *Plant and Location*

Schedule II - Report of Inventory, Consumption and Requirements for Molybdenum

Molybdenum Materials	% Contained Molybdenum	Inventory At End Of Previous Month		Contained Molybdenum (pounds)				Requested For Delivery During Next Month		Not To Be Filled Out By Applicant
		Gross Weight (net tons)	Contained Molybdenum (pounds)	Received During Present Month	Estimated Consumption During Present Month	Estimated Inventory End Of Present Month	Estimated Amount Available From Inventory	Name Of Supplier	Contained Molybdenum (pounds)	
	2	3	4	5	6	7	8	9	10	11
1. Ore and Concentrates										
2. Ferromolybdenum										
3. Calcium Molybdate										
4. Molybdenum Oxide										
5. Molybdenum Oxide-Briquettes										
6. Molybdenum Sulphide										
7. Molybdenum Metal										
8. Molybdenum Silicide										
9. Scrap - Total								XXXX		
a. Own Plant		XXXXX	XXXXX		XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	
b. Purchased		XXXXX	XXXXX		XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	
10. Ammonium Molybdate										
11. Sodium Molybdate										
12.										
13.										
14.										
TOTAL	XXXX	XXXXX						XXXXX		

Estimated Inventory of Finished, Semi-Finished and in-Process Products Containing Molybdenum As Of The End Of The Present Month; Gross Weight _____ *Net Tons*, Contained Molybdenum _____ *Pounds*

Section 35(a) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation to any Department or Agency of the United States as to any matter within the jurisdiction of any Department or Agency of the United States.

Certification

THE UNDERSIGNED HEREBY CERTIFIES THAT HE EXECUTED THIS APPLICATION IN ACCORDANCE WITH THE DEFINITIONS AND OTHER INSTRUCTIONS GIVEN THEREWITH, AND ON BEHALF OF, AND BY AUTHORITY OF, THE ABOVE-NAMED COMPANY, AND THAT ALL THE INFORMATION SET FORTH ON THIS APPLICATION IS TRUE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

_____ *Date* _____ *Signature* _____ *Official Position*

Vf·6,081. Form PD-386—monthly report on distribution of molybdenum consumption. Form PD-386 must be prepared in duplicate. The original is to be sent to the Tungsten Branch, Molybdenum Section of the Materials Division of WPB, Washington, D. C., and the duplicate is to be retained by consumers of molybdenum.

PD-386
3/18/42

Prepare in duplicate and return the original not later than April 10, 1942. See reverse side for additional instructions

WAR PRODUCTION BOARD
Materials Division
Tungsten Branch - Molybdenum Section

CONFIDENTIAL
For Use Of Federal Defense Agencies Only

(Reporting Company) _____ (Plant and Location) _____

DISTRIBUTION OF MOLYBDENUM CONSUMPTION IN _____ (Month), 1942

SCHEDULE I

Classes of Products 1	Material Types 2	Source of Specification 3	Net Weight of Product (net tons) On Government Contract 4	 Total 5	Molybdenum Consumed (pounds) 6	Percentage of Molybdenum Bearing Scrap in Charge 7	Estimated Consumption (pounds of Contained Molybdenum) March, 1942 8	 April, 1942 9
1. Cutting Tools: *Class A, High Speed*								
2. Cutting Tools: *Class B, High Speed*								
3. Cutting Tools: *Other than High Speed*								
4. Punches, Bits, Shear Blades, Knives, Impact Dies & Drills								
5. Machine Tool Structural Parts								
6. Ordnance Materials: *Castings, Forgings, etc.*								
7. Armor Plate for Tanks								
8. Shipbuilding Parts: *Navy and Maritime Commission*								
9. Aircraft Parts								
10. Locomotive and Railroad Parts: *Driving Rods, Springs, Axles, etc.*								
11. Steel, Copper & Aluminum Plant Equipment								
12. Hot Work Steel Dies								
13. Diesel and Heavy Engine Parts								
14. Automotive Parts: *Springs, Gears, etc.*								
15. Other Classes of Products *(Specify)*								
16.								
17.								
18. All Other								
TOTAL	XXXXXX	XXXXXX				XXXXXX		

SCHEDULE II

Priority Rating	AA...A-1-k	A-2...A-8	A-9...A-10	B	Non-Rated	Total
Consumption Contained Molybdenum (pounds)						

CERTIFICATE

THE UNDERSIGNED HEREBY CERTIFIES THAT HE EXECUTED THIS REPORT IN ACCORDANCE WITH THE DEFINITIONS AND OTHER INSTRUCTIONS GIVEN THEREWITH, AND ON BEHALF OF, AND BY AUTHORITY OF, THE ABOVE-NAMED COMPANY, AND THAT ALL THE INFORMATION SET FORTH ON THIS REPORT IS TRUE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

(Date) _____ (Signature of Authorized Official) _____ (Title) _____

Section 35(A) of the United States Criminal Code, 18 U.S.C.A. 80, makes it a criminal offense to make a false statement or representation in any matter within the jurisdiction of any department or agency of the United States.

Instructions

This form must be prepared separately for the months of January and February, 1942, by all persons who consumed Molybdenum during those months

Schedule I

Column 1. Line 18 is provided for products not classifiable in Lines 1 through 17. This line should be used only for those products for which classification on Lines 1 through 17 is impossible.

Column 2. Give type of material, such as Cr-Mo, Cr-Ni-Mo, Mn-Mo, etc., from which products as shown in *Column 1* are made.

Column 3. State agency or society issuing specifications; if Molybdenum is not specified by customer, state "Own" in this space.

Column 4. State net tonnage of material produced, entering directly into orders covered by U. S. Government prime contracts issued by the Army, Navy or Maritime Commission.

Column 5. Give shipping weight of all steel, cast iron, or chemicals produced. Do not give weight melted, ingot weight, heat tonnage, etc.

Column 6. Give weight of contained Molybdenum in all material consumed.

Column 7. State average percentage of Molybdenum-bearing scrap used in making up charges or batches.

Columns 8, 9. Give best possible estimates of Molybdenum to be consumed. These columns are not to be filled in on the January report.

Schedule II

In Schedule II give the weight of Molybdenum used during the reported month in filling orders covered by the indicated ratings. Report this figure as pounds contained Molybdenum. All orders for which a rating cannot be substantiated by properly executed documents in your possession must be included as "Non-Rated." The total in Schedule II should equal the total shown in *Column 6* of Schedule I.

Copyright, April 17, 1942, Research Institute.

Vf·6,082. Warning against violations of iron and steel resale prices under Schedules No. 49 and No. 4. On April 7, 1942, the Price Administrator warned against evasions of Schedules No. 49 and No. 4. He specifically emphasized the distinction between reusable and scrap materials. Unless the material is offered in such a condition that no further operations are necessary to class it as similar to iron and steel products of prime quality it cannot be classified as used and reusable and must be considered as scrap and sold at scrap prices. As an example, it was stated that plates with rivet holes may not be sold at prices of Schedule No. 49, unless the punching of such holes was specifically ordered by the buyer.

Vf·6,083. Merchant wire products, allowances and relief provisions affected by Amendment No. 2 to Revised Schedule No. 49. By a formal amendment effective March 31, 1942, OPA recognized that on certain iron and steel products April 16, 1941 resale prices were no longer fair and, therefore, had to be adjusted. The main changes introduced by the amendment are: (1) Jobbers selling merchant wire products are given the choice of two prices: (a) April 16, 1941 selling prices or (b) 20% above the mill carload price to them. (2) The uniform freight allowance for the Pacific Coast area is replaced by maximum freight allowances on specific products. (3) "Mixed carloads" are replaced, report requirements are limited to sellers covered by the schedule and the procedure in filing petitions for amendment, adjustment or exception is described more fully.

Amendment No. 2 to Revised Price Schedule No. 49—Resale of Iron and Steel Products

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.

Section 1306.154 (a), Section 1306.156 and the headnote thereof, Section 1306.157 (b) (ii) and (m) thereof, Section 1306.159 (b), (g) (1), (h) (1) (ii), (2), (3), (4), (6), (k) (2), (5), and (l) are amended to read as follows, and a new clause is added at the end of Section 1306.159 (k) (1), Section 1306.159 (k) (7) is redesignated as Section 1306.159 (k) (8) and amended, and a new Section 1306.159 (k) (7) is added as set forth below:

Sec. 1306.154 **Records and reports.** (a) *Records of sales, inventory and orders.* Every seller of iron or steel products shall, after December 15, 1941, keep for inspection by the Office of Price Administration for a period of not less than one year, complete and accurate records of:

(1) Each such purchase of sale, showing the date thereof, the name and address of the buyer or the seller, the price paid on each purchase for resale and received on each resale, the quality and grade, the sizes, and the quantity of each product purchased or sold, and

(2) The tonnage of iron or steel products on hand and on order, classified by product, in a manner similar to that of Form PD 83 as issued by the War Production Board. A copy of Form PD 83 may be had upon request by applying to the War Production Board.

Sec. 1306.156 **Petitions for amendment, adjustment or exception.** (a) Persons seeking any modification of this Revised Price Schedule No. 49 or an adjustment or exception not provided herein, may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.

(b) A petition for exception may be filed by any seller requesting permission to sell high cost inventory, title to which was acquired prior to December 15, 1941, at prices in excess of the maximums established in this Revised Price Schedule No. 49. Such petitions must prove that serious financial losses will be imposed on the seller by sale at ceiling prices.

(c) A petition for exception may be filed in any case in which the petitioner claims that the gross margin on a particular product between mill ceiling price and the resale ceiling price as established by this Revised Price Schedule No. 49 is inadequate. The petition must demonstrate:

(1) That the spread is less than that which existed on April 16, 1941; and

(2) That circumstances such as the withdrawal of special competitive prices by the mill, the grant of an amendment or an exception under Revised Price Schedule No. 6 by the Office of Price Administration to the supplying mill, the use of the emergency basing point by the mill, etc., have led to the inadequacy of the gross spread; and

(3) That the sale of the particular product, at ceiling prices, has a serious effect on the over-all financial position of the petitioner.

The Office of Price Administration will consider the above factors, together with such other economic and financial data as may be relevant, in determining the merits of such a petition.

(d) A petition for adjustment may be filed requesting that the April 16, 1941 price of any seller be raised to conform to the listed or published price in any listed city, or the lowest combination price in an unlisted city.

(e) In any case in which extraordinary and unusual freight absorption is compelled by the exigencies of the war program, such as priority rating, allocation or the like, and the situation is not covered by Section 1306.159 (f) of this Revised Price Schedule No. 49, a petition for exception may be filed by the seller. Upon such petition, the Administrator may grant, together with such other relief as may be proper, the right to price f.o.b. warehouse.

Sec. 1306.157 **Definitions.**

* * *

(b) * * *

(ii) "Seller" as defined herein shall not include retail merchants who make retail sales of merchant wire products, all types of roofing and siding, or pipe to consumers in small quantities specifically exempted by this Revised Price Schedule No. 49; *Provided,* that on sales made in quantities larger than those specifically exempted from the maximum price provisions of this Revised Price Schedule No. 49, such retail merchants shall keep records, file prices and observe maximum established prices.

* * *

(m) "Mixed carload" means a bona fide "mixed carload" as that term is commonly understood in the trade, containing not less than three product items of steel in substantial quantities and of different type, such as strip, plates, sheets or bars, *or* a carload of one or more product classifications containing not less than 10 items of different sizes and/or gauge, each item to be of a specific size and gauge, and no item of which shall be more than 8000 lbs.

Sec. 1306.159 **Appendix A. Domestic and Export Maximum Prices for Iron and Steel Products.**

* * *

(b) *Maximum delivered prices in places other than the city or free delivery area in which the seller is located.* (1) In any other place than a city or free delivery area in which the seller is located, the maximum delivered price for that seller shall be the seller's prices in the city or free delivery area in which the seller is located (as established in Section 1306.159 (a)) and less-than-carload freight to destination: *Provided,* that such maximum prices may not exceed the lowest delivered price that is the result of a combination of (i) country price of any seller named in Section 1306.160, Appendix B, herein (or as may hereinafter be issued under "General Provisions," Section 1306.159 (m) (3)) located in any listed city and (ii) less-than-carload freight from such listed city. It is provided, however, that in no case shall the maximum delivered price on a sale for delivery into a listed city exceed

published listed prices, extras and deductions, as set out in Section 1306.160, Appendix B, in effect as of April 16, 1941, for that city or free delivery area.

* * *

(g) *Maximum delivered prices on the Pacific Coast and for Gulf Ports: special filing provisions.* (1) Maximum delivered prices on the Pacific Coast shall be as provided in Revised Price Schedule No. 49: *Provided*, that: (i) on the following products and no others, the following sums may be added to the maximum delivered prices as otherwise established in Price Schedule No. 49:

	Cents per cwt.
Plates, universal and sheared, carbon, and floor plates..	75
Hot rolled sheets, carbon.....	65
Cold rolled sheets	65
Hot rolled bars and small shapes, carbon (concrete reinforcing bars are not included in this classification)	20
Galvanized, galvannealed and enameling sheets.....	45
Hot rolled strip, carbon.....	25
Structural shapes, carbon	45

(ii) On all pipe and tubular products covered by Section 1306.159(i) of this Revised Price Schedule No. 49, the rail and water rates to Pacific Coast ports, referred to in that section, may be disregarded and published all-rail freight rates may be used in computing maximum prices.

* * *

(h) *Maximum delivered prices for specific wire products and all types of roofing and siding.* (1) * * *

* * *

(ii) Carload freight from the governing mill basing point to warehouse, or carload freight from the emergency basing point where use of the latter is permissible under Revised Price Schedule No. 6, not to exceed, however, the actual freight paid. (Where the emergency basing point is used as a basis for computation, records of such sales and of the manner of computing price shall be kept available for inspection for a period of one year.)

* * *

(2) The maximum delivered price of less-than-carload quantities of standard wire nails, annealed smooth wire, and galvanized smooth wire sold from the city or free delivery area in which the seller is located to any other place shall be the price (as computed above) in the city of free delivery area in which the seller is located and less-than-carload freight from such city.

(3) On all merchant wire products, and all types of roofing and siding, whether covered by subparagraphs (1), (2) or (4) of this paragraph, extras charged by jobbers and dealers on merchant wire products, and all types of roofing and siding, shall be the same as regular published mill extras in effect as of April 16, 1941, and deductions customarily granted as of April 16, 1941, shall be deducted in computing the maximum delivered price. On standard wire nails, annealed smooth wire and galvanized smooth wire, for which maximum prices are established above, deductions shall be in the same ratio to these maximum prices as they were to prices existing on April 16, 1941.

(4) The maximum delivered domestic prices for less-than-carload quantities of all other merchant wire products (including poultry netting, screen cloth and hardware cloth) and all types of roofing and siding shall be computed as otherwise provided in paragraphs (a), (b) and (c) of this section. *Provided*, that in no case need the price of any seller, listed or otherwise, in the city or free delivery area in which he is located, fall below the aggregate of:

(i) mill straight carload price to jobbers,

(ii) carload freight from the governing mill basing point to warehouse, or carload freight from the emergency basing point where use of the latter is permissible under Revised Price Schedule No. 6, not to exceed, however, the actual freight paid; (where the emergency basing point is used as a basis for computation, records of such sales and of the manner of computing price shall be kept available for inspection for a period of one year) and,

(iii) a mark-up of 20% of the aggregate of subdivisions (i) and (ii) of this subparagraph.

Provided further, that in no case shall the maximum delivered price of merchant wire products or all types of roofing and siding sold to any place other than the city or free delivery area in which the seller is located exceed the seller's maximum price, as herein established, plus less-than-carload freight from the city in which such seller is located.

* * *

(6) The maximum delivered prices of merchant wire products and all types of roofing and siding established in this Section do not govern retail sales of such products by retail merchants (such as retail hardware stores, retail lumber yards, or mail order houses) to consumers:

Provided, that sales by any person of nails in quantities of more than 25 kegs or other merchant wire products and all types of roofing and siding in quantities of more than 2,500 pounds shall be so governed.

(k) *Maximum delivered prices for shipments in carload quantities, and in certain specific cases.* (1) * * * *Provided*, that direct mill shipments of special name steel differing in chemical analysis and quality from standard mill specifications, and on which the seller takes responsibility as to performance, may be sold, after approval by the Office of Price Administration as to qualification in this respect, at prices not to exceed the seller's April 16, 1941 prices established for such shipment.

(2) Notwithstanding the provisions of any other section of Revised Price Schedule No. 49, shipments of mixed carloads as defined in Section 1306.157(m) out of warehouse stock may be sold at a price not in excess of the maximum delivered price for a 500 lb. quantity minus a discount of not less than $7 per net ton. In all cases where relevant, carload freight rather than less-than-carload shall be used in computing ceiling prices applicable to mixed carloads.

* * *

(5) On shipments of 40,000 lbs. or more by a seller at one time or on one order, (except that on rails this provision shall apply to a minimum quantity of 56,000 lbs.) the maximum delivered price shall be the mill price as established under Revised Price Schedule No. 6, except insofar as specific exception is made to this clause in other subparagraphs of this paragraph (k): *Provided*, that on presentation to the Office of Price Administration of a certificate that such shipment has been found by the War Production Board (i) to be necessary in the interests of the war effort and (ii) to be of such a character that shipment from a mill is not practicable or possible, a maximum delivered price will be established by the Office of Price Administration.

* * *

(7) Notwithstanding the provisions of any other section of this Revised Price Schedule No. 49, in any case in which a manufacturer of fabricated items not covered by this Revised Price Schedule No. 49 has on hand an inventory of iron or steel products which cannot be used by him because of curtailed production resulting from governmental order, such inventory may be sold at a maximum price not in excess of the mill ceiling price, delivered to the seller's plant, plus a charge of not more than $2 per ton for handling. The maximum price as so established may be f.o.b. the place at which such inventory is located.

(8) Where any five shipments or less to one customer in any semi-monthly period total 40,000 lbs. or more, records shall be filed with the Office of Price Administration covering all shipments made to such customer during said semi-monthly period on or before the 15th day of the next succeeding month. This filing shall be supported by affidavit and shall include names and addresses of the buyers, full description of products shipped, and prices charged including all extras for each quantity and size. (Copies of invoices accompanied by affidavit will be considered proper filing under this requirement.) This provision shall not be construed to allow shipment of carload amounts at any other than the mill ceiling price, except as specifically permitted elsewhere in this Revised Price Schedule No. 49.

(l) *Maximum delivered prices for seconds, wasters, off-grade and used products.* The maximum delivered price for all off-grades, seconds, wasters, and used iron or steel products (not covered by any other Price Schedule) after such shearing, cutting, straightening, bending or pickling as may be necessary shall be computed in the same manner used by the seller on April 16, 1941: *Provided*, that such prices do not exceed the maximum delivered price for comparable iron or steel products of prime quality.

Sec. 1306.158a **Effective Dates of Amendments.**

* * *

(b) Amendment No. 2 (Sections 1306.154(a), 1306.156, 1306.157(b)(ii), (m), 1306.159(b), (g)(1), (h)(1)(ii), (2), (3), (4), and (5), (k)(1), (2), (5), (7), and (8)) to Revised Price Schedule No. 49 shall become effective March 31, 1942.

Issued this 31st day of March, 1942.

Copyright, April 24, 1942, Research Institute.

Vf·6,084. Form PD-409—report on facilities of rolling mills and average monthly production under M-21.

PD 409
4-7-42

WAR PRODUCTION BOARD
MATERIALS DIVISION
TEMPORARY BUILDING "R"
WASHINGTON, D. C.

CONFIDENTIAL
FOR USE OF
FEDERAL
DEFENSE
AGENCIES
ONLY

_____
(NAME OF COMPANY)

_____
(LOCATION OF PLANT)

REPORT ON FACILITIES OF ROLLING MILLS AND AVERAGE MONTHLY PRODUCTION OF SELECTED PRODUCTS DURING THE FIRST QUARTER OF 1942.

FURNISH THE FOLLOWING INFORMATION IN DUPLICATE AND RETURN ON OR BEFORE APRIL 25, 1942 TO IRON AND STEEL BRANCH, WAR PRODUCTION BOARD, WASHINGTON, D. C. FILE SEPARATE REPORTS FOR EACH TYPE AND SIZE OF MILL. SEE REVERSE SIDE FOR FURTHER INSTRUCTIONS.

A. TYPE OF ROLLING MILL OPERATED (BAR MILL, RAIL MILL, ETC.)_____. SIZE OF ROLLS_____INCHES.
B. EIGHT HOUR TURNS PER MONTH OPERATED DURING FIRST QUARTER 1942_____.
C. MAXIMUM MONTHLY CAPACITY IF MILL WERE OPERATED AT 160 HOURS PER WEEK ON FIRST QUARTER SCHEDULES_____NET TONS.

ALL FIGURES IN NET TONS TO THE NEAREST TON

DESCRIPTION OF PRODUCT (1)	SIZE RANGE (2)	AVERAGE MONTHLY PRODUCTION FOR SHIPMENT TO TRADE (3)	AVERAGE MONTHLY PRODUCTION FOR FURTHER CONVERSION (4)	AVERAGE MONTHLY PRODUCTION TOTAL (5)
ROUNDS (OTHER THAN TUBE ROUNDS AND SHELL STEEL)				
HEXAGONS & OCTAGONS				
SQUARES & RD. COR. SQRS. (OTHER THAN SHELL STEEL)				
FLATS				
REINFORCING BARS				
BAR SIZE SHAPES				
STRUCTURAL SHAPES	X X X X X			
SPEC. SECS. (INCL. OVALS, HALF OVALS, HALF RNDS. & ALL OTHER)	X X X X X			
RAILS	X X X X X			
BILLETS				
TOTAL OF ABOVE ITEMS	X X X X X			
SHELL STEEL ROUNDS				
SQUARES, RD. COR. SQRS. & MOSAIC SQRS.				
TOTAL SHELL STEEL	X X X X X			
TUBE ROUNDS				
TOTAL MILL	X X X X X			

SECTION 35 (A) OF THE UNITED STATES CRIMINAL CODE, 18 U.S.C.A. 80, MAKES IT A CRIMINAL OFFENSE TO MAKE A FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY IN THE UNITED STATES.

THE UNDERSIGNED CERTIFIES THAT THE INFORMATION CONTAINED IN THIS REPORT IS CORRECT AND COMPLETE TO THE BEST OF HIS KNOWLEDGE AND BELIEF.

PREPARED BY:_____
NAME OF OFFICIAL

DATE:_____ _____
TITLE

(Continued on following page)